MIAMI-DADE COUNTY, FLORIDA

HOUSING FINANCE AUTHORITY
25 WEST FLAGLER STREET
SUITE 950
MIAMI, FLORIDA 33130-1720
(305) 372-7990
FAX (305) 371-9152

HOUSING FINANCE AUTHORITY
REGULAR MEETING

DATE: Monday, April 28, 2003
2:00 P.M

PLACE: 25 West Flagler Street
Suite 950
Miami, Florida 33130

AGENDA

I. **Roll Call**

II. **Approval of Minutes**
Monday, March 24, 2003

III. **Requests**
A) Alhambra Cove Apartments *(Credit Underwriters Report)*
B) Villa Capri Apartments *(Credit Underwriters Report)*
C) 22 Ave, 183 St. & 187 St. Apartments *(Credit Underwriters Report)*
D) Sliver Blue Lakes *(Sale and Assumption)*
E) Rebuilding Together with Christmas in April
F) Lease Purchase Programs *(Policy Discussion)*

IV. **Updates**
A) 2002 Single Family Program
B) Foundation/Community Outreach

V. **Other Business**
Multifamily Bus Tour

Housing Finance Authority
Regular Meeting

DATE:	March 24, 2003
PLACE:	25 West Flagler Street Suite 950 Miami, Florida 33130-1720
TIME:	2:00 P.M.
ATTENDANCE:	Hector Brito, Vice Chairman Patrick Cure Don Horn, Chairman Roymi Membiela V.T. Williams Anthony Brunson Maggie Gonzalez Cordella Ingram Rene Sanchez Katrina Wright
STAFF:	Patricia Braynon, Director Mary Aguiar, Administrative Officer III Manuel Alonso-Poch, Co-Bond Counsel Sheere Benjamin, Administrative Officer II Giraldo Canales, Compliance Specialist Marianne Edmonds, Co-Financial Advisor Larry Flood, Co-Financial Advisor David Hope, Assistant County Attorney Ayin Maryoung, Senior Executive Secretary Jose Pons, Administrative Assistant Amelia Stringer-Gowdy, Special Projects Administrator Adela Suarez-Garcia, Trust Account Manager Derrick Woodson, Administrative Officer III
APPEARANCES:	Eli Tourgeman, Former Board Member Sonia Little, William R. Hough Jose Pagan, Paine Webber Kimberly Welsh, Paine Webber Phil Harlof, Raymond James Steve Eddy, M.R. Beal Evelyn D'An, Ernst & Young Alfredo Ceparo, Ernest & Young Ron Thompklins, Watson Rice Lenny Wolfe, Cornerstone Group Pat Denihan, Leader Mortgage Opal Jones, Affordable Housing Foundation

AGENDA

The meeting was called to order with a quorum at 2:15 p.m.

Mr. Horn requested Ms. Braynon to call the roll to begin the meeting.

I. Roll Call

Ms. Braynon called the roll. She indicated that Rey Sanchez would not be attending. Mr. Horn welcomed Eli Tourgeman to the meeting and informed the board that Mr. Tourgeman had resigned from the board and accepted a staff position with Commissioner Barbara Carey-Shuler, Chairperson of the Miami-Dade County Commission. Mr. Horn stated that Eli had been a member of the Board for approximately three years and that it was a pleasure working with Mr. Tourgeman. Don Horn presented a plague to Eli for his years of service and his dedication to the Housing Finance Authority.

Mr. Tourgeman extended his appreciation to the members of the Board and thanked the staff and financial advisors and the legal advisors to the Authority for their cooperation during his tenure.

II. Approval of Minutes

A MOTION was made by Ms. Ingram to approve the minutes from the February 24, 2003 meeting. The motion was seconded by Ms. Membiela and passed unanimously.

III. Requests

A. Single Family Underwriting Team Committee Recommendations

Mr. Horn congratulated members of both sub-committees (Single Family Underwriting Team Committee and the External Audit Committee) for their extra hours of hard work and diligence in reviewing the packages.

Ms. Braynon read the recommendation of the Single Family Underwriting sub-committee. She explained that the Committee went through an extensive review and along with the financial advisors, developed the rankings of the three highest ranked firms to serve as the Authority's senior managers on single-family transactions. The three top firms were: William R. Hough, Paine Webber and Raymond James. The highest ranked minority owned firm was also selected, M. R. Beal. Ms. Braynon stated that the four firms would serve as the Authority's managing underwriters. Ms. Ingram asked if the responses to the sub committee were public record. Ms. Braynon explained that anything submitted to the Authority is considered public record.

A MOTION was made by Mr. Brunson to accept the recommendation from the Single Family Underwriting Team sub committee. The motion was seconded by Mr. Williams and passed unanimously.

B. External Audit Committee Recommendations

Ms. Braynon presented the recommendation from the External Audit sub committee, stating that Ernst & Young, with the joint venture of Watson Rice, has been the Authority's auditors in the past. She noted that the team scored the highest when the various firms were ranked. Ms. Braynon stated that since the sub committee is recommending that the same firm be hired that has audited the Authority for the last five years. The sub committee members recommended a "rotation" of auditing firms during the next cycle.

Ms. Braynon informed the Board that the Authority also requested an audit of the Authority's single-family issues. She explained that not all of the single-family issues would be done at one time because it would be an expensive project; however, this would be handled over time, on a rotating basis.

Ms. Braynon stated from a policy standpoint, the Board should now discuss requiring a rotation of auditors in the future. Mr. Sanchez stated that there might be the feeling by different companies that did not submit packages that the selection process has become a "rubber stamp" process. He also explained that the sub committee members understood the "comfort level" that develops over time; however, there comes a time when fresh eyes are needed to review the numbers.

Ms. Wright requested an explanation of the proposed contract. Ms. Braynon responded stating that it is actually a one-year contract with four one-year renewals. So if, at any point, we were uncomfortable with anything or for any reason, we could terminate after any one-year period. It is five one-year contracts so we are considering a five-year period, maximum.

Mr. Sanchez stated that he felt limiting it to two terms would be okay because you are considering ten years; however, three terms would be too long at fifteen years.

Mr. Horn stated assuming the Board approves this recommendation from the sub committee, at the end of this five-year period, Ernst & Young and Watson Rice will be precluded from submitting and then we would get a new team. Mr. Sanchez wanted a point of clarification that the Board was speaking on "policy" and not the selection? Mr. Horn responded that it could be either/or or both.

A MOTION was made by Ms. Ingram to accept the recommendation from the External Audit Team sub committee on both: policy and selection. The motion was seconded by Vice-Char Brito and passed unanimously.

Ms. Braynon stated that since this is a contract, it has to go before the Miami-Dade Board of County Commissioners. Mr. Horn congratulated the members of the auditing team/companies selected that were in attendance.

C. Sale and Assumption for Gannon Properties (Miller Lakes Apartments)

Mr. Hope explained that this was actually two related items. The first item is an assignment and an assumption agreement. The Board had previously authorized an issue of $55 million in bonds for Gannon Properties and that property is being sold and the bonds are being retired. The new owner "assumes" all of the obligations under the regulatory agreement going forward. The trustee and also the bondholders are parties to the assignment and assumption agreement.

A MOTION was made by Ms. Ingram to approve the assumption. The motion was seconded by Vice-Char Brito and passed unanimously.

Mr. Hope stated the second item; Regency Manor is an assumption agreement. The bonds have already been paid off and the new lender would like this Board to agree to a mortgage being entered against the property. Mr. Hope explained that this does not affect the Authority's rights in any way and that there is no negative impact because the bonds are already paid off.

A MOTION was made by Mr. Sanchez to approve the mortgage. The motion was seconded by Mr. Brunson and passed unanimously.

D. Bonita Pointe Apartments

Mr. Flood stated that Bonita Pointe Apartments is a 2003 allocation deal and the owner is Cornerstone, Bonita Pointe LLC. It is a 164-unit property in Florida City. The project

Underwrites to our requirements and the total bond amount requested is $8,010,000. The credit underwriting report clarified that this is an amount that can be underwritten under current market conditions and makes the report conditioned upon several items that need to be satisfied prior to the issuance of the bonds. Our recommendation is to proceed, subject to satisfaction of the conditions of the underwriting report.

Mr. Horn asked Mr. Flood to explain for the benefit of the new Board members, the underwriting process in place and general chronology of events so that they understand the recommendation that we are making. Mr. Flood took several minutes to explain the chronology of events.

A MOTION was made by Mr. Sanchez to accept the recommendation from the underwriters and financial advisors to move forward on Bonita Pointe. The motion was seconded by Mr. Williams and passed unanimously.

IV. Updates

A. 2002 Multifamily Proposal – Tuscany Place (*Oral Report)*

Mr. Flood stated that Tuscany Place is a 2002 application by Cornerstone and this application came in the second cycle of 2002. It originally came to the Board as a private placement to Charter Mac. Subsequent to that, the transaction has changed to a guarantee fund transaction. No action was required by the Board. This transaction is now scheduled to close the first week in June.

B. 2002 Single Family Program

Mr. Sanchez noticed that the list of lenders appeared to be short by two lenders. Ms. Braynon stated that Washington Mutual were unable to convert their computer system and City Mortgage is now City Bank.

C. Foundation/Community Outreach

Ms. Jones informed the board that U.S. HUD and the Fannie Mae Foundation had a successful kickoff of a new venture: housing fairs. MDAHFI was selected as the fiscal agent to coordinate four distinct housing fairs a year. Through that initiative, $21,000 was raised from the lending community. Ms. Jones discussed the partnership between Gulf Bank, Fannie Mae and MDAHFI and grants applied for from Fannie Mae Foundation. Ms. Jones discussed a preliminary meeting with the Knight Foundation and MDAHFI's application for $400,000 for mortgage gap financing.

V. Other Business

The TV ad/video "Don't Borrow Trouble" for the Anti-Predatory Lending campaign was viewed to the Board. The campaign schedule and budget was discussed.

The meeting adjourned at 3:07 p.m.

TO: PATRICIA BRAYNON, EXECUTIVE DIRECTOR, HOUSING FINANCE AUTHORITY OF MIAMI-DADE COUNTY, FL

FROM: MARIANNE F. EDMONDS AND LARRY FLOOD

RE: ALAHAMBRA COVE APARTMENTS

DATE: APRIL 21, 2003

BACKGROUND

This project received private activity bond allocation in 2002. The allocation was not used and became "carry-forward" as provided under federal tax law. As carry-forward this allocation must be used for multifamily bonds, but it is not committed specifically to the Alahambra Cove development.

ALAHAMBRA COVE APARTMENTS

The credit underwriting report for Alahambra Cove was submitted on Monday, March 17, 2003.

The basic information for this project is shown below.

Development Name	Developer	Total Bond Request	Tax Exempt Request	Total Project Cost	Bond Loan Per Unit	Cost Per Unit	# of Units	Bed-rooms	Baths	Median Income %	Rent Low/Market
Alahambra Cove	Cornerstone Group	$11,880,000	$11,880,000	$21,767,684	$49,500	$90,699	48 108 84 240	1 2 3	1 2 2	60% 60% 60%	$505 $602 $691

CONDITIONS STATED IN CREDIT UNDERWRITING REPORT

The Credit Enhancer, the Guarantee Program of the State of Florida, has not issued a commitment for this project. However, the credit underwriting report is the basis of the credit underwriter's recommendation for the approval of a credit enhancement commitment.

All conditions as stated in Section B of the Credit Underwriting Report, including the following:

Loan Amount: The maximum loan amount is $11,880,000. Depending on market conditions at the time of sale, the loan amount may need to be reduced. Shortfalls created by the loan reduction would need to be funded by the deferral of additional Developer Fees, the deferral of General Contractor Fees and/or developer equity.

Payment and Performance Bond: 100% payment and performance bond to secure the construction contract.

Financing: Written description from bond underwriter outlining terms of proposed bond sale.

Guarantees:
Construction Completion Guarantee from Alahambra Cove Associates, Ltd. and Cornerstone Alahambra Cove LLC, the principals Stuart I. Meyers, Mara Mades, Leon Wolfe and Jorge Lopez, JL Holding Corporation, SIM Family Partnership, M3, Inc., MSM, Inc, The Cornerstone Group Development LLC and Cornerstone Group Development Corporation.

Operating Deficit Guarantee from Alahambra Cove Associates, Ltd. and Cornerstone Alahambra Cove LLC, the principals Stuart I. Meyers, Mara Mades, Leon Wolfe and Jorge Lopez, JL Holding Corporation, SIM Family Partnership, M3, Inc., MSM, Inc, The Cornerstone Group Development LLC and Cornerstone Group Development Corporation, to be released upon achievement of 90% occupancy, 90% of the potential rental income and 1.15 debt service coverage of the first mortgage for six consecutive months, all as certified by a Certified Public Accountant.

Environmental Indemnity from Alahambra Cove Associates, Ltd. and Cornerstone Alahambra Cove LLC, the principals Stuart I. Meyers, Mara Mades, Leon Wolfe and Jorge Lopez, JL Holding Corporation, SIM Family Partnership, M3, Inc., MSM, Inc, The Cornerstone Group Development LLC and Cornerstone Group Development Corporation.

Guaranty of Recourse Obligations from Alahambra Cove Associates, Ltd. and Cornerstone Alahambra Cove LLC, the principals Stuart I. Meyers, Mara Mades, Leon Wolfe and Jorge Lopez, JL Holding Corporation, SIM Family Partnership, M3, Inc., MSM, Inc, The Cornerstone Group Development LLC and Cornerstone Group Development Corporation.

Liquidity Requirements: Confirmation of financial liquidity as required by the credit underwriting report.

RECOMMENDATION

Proceed with the financing of this development, subject to the conditions of the Credit Underwriting Report, the findings of ADRAC and the Authority's Guidelines.

Executive Summary

This is a First Housing Development Corporation ("First Housing" or "FHDC") Multifamily Mortgage Revenue Bond ("MMRB") Credit Underwriting Report for the Alhambra Cove Apartments, a proposed, affordable rental apartment complex to be located on the south side of NW 119th Street, at the intersection with NW 16th Avenue, within unincorporated area of Miami-Dade County, Florida. This development will consist of a 240-unit facility with eleven (11) three-story walk-up "garden" style apartment buildings, a single story clubhouse/leasing and maintenance building and front gatehouse. The subject property is proposed to contain a total of 429 asphalt-paved parking spaces, with 13 handicapped parking spaces, which meet the requirements set by the Florida Accessibilities Code of Building Construction. This is equal to a total of 1.79 spaces per residential unit and in conformance with current zoning criteria.

Applicant has applied for a 2002 MMRB Loan to be funded by bonds issued by the Miami-Dade Housing Finance Authority ("MDHFA" or "Authority"), the funds to be loaned to Florida Housing Finance Corporation ("Florida Housing" or "FHFC") for further loan to Applicant, for the construction and permanent financing of the subject development.

Based upon demographic and market analysis, including existing and proposed developments, the market study consultant projected a construction/stabilization period for the property of 15 months. This is based on the market study consultant's estimate of absorption of approximately 28 to 30 units per month, beginning in the month the first Certificate of Occupancy ("C/O") is received (estimated in Month 8). The construction phase will last approximately 12 months. Stabilization is anticipated to occur approximately three months following construction completion. For purposes of this Credit Underwriting, First Housing utilizes a 15-month construction/stabilization period in its Capitalized Interest analysis (see Exhibit 3).

Ownership Structure:

The applicant, Alhambra Cove Associates, Ltd., is a Florida limited partnership formed in July 15, 2002 to construct and to operate Alhambra Cove Apartments. The General Partner with a .01% interest is Cornerstone Alhambra Cove, LLC. The Limited Partners with a 99.99% interest are JL Holding Corporation (49.995%), Stewart I. Meyers ("SIM") Family Partnership (29.997%), M3, Inc. (9.999%), and MSM, Inc. (9.999%); which are to be replaced at closing by the syndicator, Wachovia Affordable Housing Community Development Corp. ("Wachovia"), or an affiliate. Upon closing, the partnership agreement will be amended to reflect a 99.99% interest to Wachovia or an affiliate, as Limited Partner, and a .01% interest to the general partner, Cornerstone Alhambra Cove, LLC.

The Developer is Cornerstone Group Development, L.L.C. ("Cornerstone Group"), Coral Gables, FL. Alliance Construction, L.L.C., will be the General Contractor, and Cornerstone Residential Management, L.L.C., will be the Management Agent. All three entities, along with the General Partner (Cornerstone Alhambra Cove, LLC) are owned 50% by Mr. Lopez, 30% by SIM Family Partnership, 10% by Mr. Wolfe and 10% by Ms. Mades. Cornerstone Residential Management, LLC has managed all of the developer's developments to date. Alliance Construction, Inc. has demonstrated extensive experience in the construction of similar developments. The Cornerstone Group Development, LLC. is a for-profit developer founded in 1993. It has significant experience in the development of multi-family housing having constructed over 5,365 units of newly built or rehabilitated developments. The Cornerstone

Group has completed ten Florida Housing Tax Credit developments, nine Florida Housing bond transactions ($134,622,000), and nine local issuer/county bond transactions ($119,520,000). In addition, Cornerstone has completed nine developments utilizing SAIL funds and nine developments using HOME funds.

MMRB Loan:

Applicant has requested a Mortgage Loan of $11,880,000 from FHFC for the construction and permanent financing of the subject development. The amount requested is based upon a bond issue of $11,880,000 from MDHFA for the construction and permanent financing of the subject development.

Inasmuch as the interest rate of the MMRB Loan cannot be accurately determined until the bond purchase closes, FHDC has underwritten the subject development by determining its anticipated Net Operating Income ("NOI"). Based upon a projected NOI of $925,802, FHDC has calculated the supportable loan amount for various amortization periods and "all-in" interest rates. This information is presented in the format of a table attached to this Credit Underwriting Report as Exhibit 2. The proposed development can support a MMRB Loan in the amount of $11,880,000 at a combined "all-in" interest rate not to exceed 6.207%.

Terms and conditions of the MMRB Loan include a 41.25-year term (a construction/stabilization phase of up to 15 months followed by a 40-year permanent/amortization period), a fixed interest rate and a combined Debt Service Coverage ("DSC") ratio of not less than 1.15 to 1.00, including scheduled MMRB Loan principal and interest payments, U.S. Department of Housing and Urban Development ("HUD"), MDHFA, and Bond Trustee fees, plus FHFC-required Permanent Servicing, Compliance Monitoring and Financial Monitoring fees. The Base Rate for the tax-exempt bonds is currently estimated to be 5.200%. Guaranteed Investment Contract ("GIC") earnings on un-disbursed MMRB funds will accrue at an estimated rate of 1.250%. It is important to note, however, that interest rates will not be fixed until the bonds are priced, at or near the MMRB Loan closing date.

The MMRB Loan will be secured by a First Mortgage on Alhambra Cove Apartments and a First Security Interest in all Personalty of the subject development. Based upon Applicant's prepayment of $48,000 (one-half the required Replacement Reserves for Years 1 and 2), Replacement Reserves of $100 per unit per year will be paid from Operations for Years 1 and 2, followed by $200 per unit per year thereafter. An inflation factor based upon the Consumer Price Index will be applied to the Replacement Reserve deposit beginning in Year 7, unless waived or reduced in the event Obligor provides a Physical Needs Study prepared by an independent third party acceptable to Florida Housing's Guarantee Program ("Guarantee Program") that evidences an increase in the deposit is excessive or unnecessary. Monthly deposits to an Escrow for Property Taxes and Insurance are also required.

Based upon an anticipated NOI of $925,802, the subject development can support the recommended MMRB Loan of $11,880,000 at a 1.15 DSC so long as annual Debt Service does not exceed $805,045. If the "all in" interest rate on the bonds is greater than 6.207%, the MMRB Loan will have to be reduced so that annual Debt Service does not exceed $805,045. If the MMRB Loan is reduced, Applicant will have to fund any shortfall with an increase to Deferred Developer Fees, Deferred General Contractor Fees and/or an injection of Developer Cash (Equity).

The current "all-in" tax-exempt interest rate of 6.496% is 0.289% higher than the 6.207% maximum interest rate at which the subject development can support the recommended MMRB Loan of $11,880,000. If interest rates at the time of MMRB Loan closing mirror current rates, the MMRB Loan would have to be reduced by $415,000 (to $11,465,000) in order to achieve a DSC of 1.15 at an NOI of $925,802. Note that based upon a current estimated interest rate of 6.496%, the debt service coverage is equal to 1.110:1, which is within acceptable MDHFA parameters.

Proposed Credit Enhancement Structure:

The Applicant has applied for a commitment for credit enhancement from the Florida Affordable Housing Guarantee Program, and HUD Risk-Sharing Program, with an insurance wrap from FSA. The credit enhancement, which will allow the bonds to achieve a "AAA" rating, will be in effect during both the construction and permanent periods. The MMRB Loan is anticipated to have a 41.25-year term (40-year permanent/amortization period following a 15-month construction/stabilization period). Credit Enhancement Fees include an FHFC Guarantee Program fee of 0.500%, and a HUD Risk Sharing fee of 0.250%. Other fees include MDHFA Issuer fee of .39%, a Bond Trustee fee of 0.05%, and FHFC-required servicing fees (e.g., Permanent Servicing 0.045%, Compliance Monitoring 0.046% and Financial Monitoring 0.015%). The cost of an insurance wrap is included as an upfront premium equal to 40 basis points of total principal and interest on the bonds; and is cash funded at closing. This Credit Enhancement structure is expected to impart an "AAA" bond rating.

The Guarantee Program in combination with HUD Risk Sharing requires a Debt Service Reserve or surety bond equal to 6 months of the annualized debt service ($402,522) on the loan amount of the bonds. The Applicant has elected to provide an FSA surety bond in lieu of cash funding this reserve. The cost for this bond has been accounted for by the Applicant in the budget. The acceptance of this bond is conditioned upon the bond being in a form acceptable to Florida Housing and First Housing and providing that the bond will be outstanding so long as the bonds are outstanding.

The enhancer requires a loan to value ratio of 90%, based on the stabilized value, with restricted rents and favorable financing. The value of the subject, with restricted rents and favorable financing, is estimated by Hume Real Estate Consultants, Inc., in a complete appraisal report dated January 15, 2003, to be in the amount of $13,200,000, which results in a maximum loan amount of $11,880,000.

The credit enhancer requires a 1.15 minimum Debt Service Coverage ("DSC") Ratio. If the "all-in" interest rate on the bonds is greater than 6.207% the loan amount will need to be reduced so that the total debt service does not exceed $805,045 in order to maintain the 1.15 debt service coverage required by the enhancer.

Housing Credits ("HC") Equity Investment:

In addition to the proposed bonds, the Applicant has indicated that they intend to apply for Housing Credits. Since the subject expects to receive tax-exempt bonds greater than 50% of cost, it would be applying for 4% federal credits. An analysis of the credits available to the property was performed. The underwriter has estimated an annual housing credit of $805,677; which is slightly higher than the syndication agreement amount of $789,125. The housing credit calculation is contained in Exhibit 4 of this report.

A proposal dated November 13, 2002 was received and reviewed. Wachovia will purchase a 99.99% interest in the development partnership. The syndication commitment reflects a partnership interest of 99.99%, and a syndication rate of $.815. Capital Contributions total approximately $6,430,726, of which $3,215,363 or 50% of the syndication equity will be available at closing, and another 40.0%, or $2,572,290 during construction. At completion, 5.8%, or $376,000 is due, and an additional 4.2% or $267,073 will be available at the latest of permanent loan conversion, 1.15x debt service coverage, or upon Receipt of Forms 8609.

<u>Other Sources of Funds:</u>

Additional Sources of Funds for this development is a SURTAX loan, Deferred Developer and General Contractor Fees.

The Applicant has received a commitment dated February 26, 2003 from the Miami-Dade Housing Agency ("MDHA") for a SURTAX 2003 allocation in the amount of $1,000,000. This loan shall bear an interest rate of 0% for as long as the development remains in compliance; then 3% thereafter, for a 30-year term; including a 24-month construction period with no principal and interest payments due until Month 25, at which time, principal and interest payments at 0% will be due monthly.

During the construction period, the developer must defer all available developer fees and a portion of related party general contractor fees totaling $2,899,798 and $200,233 (total profit portion of GC fee is $655,737), respectively, to balance the Sources & Uses of Funds after receipt of all available MMRB Loan proceeds and HC Equity contributions have been received.

Applicant will have to defer $2,456,958 (85%) of Developer Fees during the permanent period.

Applicant states it will provide a Letter of Credit to cover a Hard Cost Contingency equal to 3% of the construction contract (or $376,770). Evidence of a letter of credit equal to this amount in form and substance acceptable to FHFC and from a financial entity approved by FHFC is a condition of this report.

<u>Additional Information</u>:

1. <u>Permitting Status</u>: This site was recently re-zoned from a combination of RU-4L, RU-1, and RU-2; to RU-4L, Limited Apartments House District, by Miami-Dade County. Also note that, in order to accommodate the proposed density of 240 units, the Applicant acquired the use of 12 additional units from a neighboring site owner, which is allowed via the Serverable Use Rights ("SUR") Program. The re-zoning, and proposed site plan was approved December 3, 2002, per Resolution No. CZAB8-9-02.
2. <u>Potential Loan Reduction</u>: As noted, the current estimated "all in" rate is greater than the maximum "all in" interest rate at which the requested loan amount can provide the required 1.15 to 1.00 DSC ratio. At the current "all in" interest rate the recommended net loan amount would be reduced to $11,465,000 or a net reduction of $415,000. Any reduction of bond loan proceeds must be offset by the deferral of additional developer fees and/or general contractor fees (limited to profit only), or funded with additional proceeds provided by the developer.

   This recommendation is contingent upon the FHFC or the trustee holding or controlling funds at all times throughout the construction period sufficient to complete construction of the development.

3. FHFC Guarantees and Liquidity: First Housing recommends that FHFC obtain Construction Completion and Operating Deficit Guarantees (collectively the "Guarantees") from Alhambra Cove Associates, Ltd., Cornerstone Alhambra Cove, L.L.C., Cornerstone Group Development, L.L.C., Cornerstone Group Development Corporation, Alliance Construction, L.L.C. (as to Construction Completion Guarantees); JL Holding Corporation, SIM Family Partnership, M3, Inc., MSM, Inc., along with Stuart I. Meyers, Jorge Lopez, Leon J. Wolfe and Mara S. Mades, personally (collectively the "Guarantors").

4. Based upon its review of the Personal Financial Statements and the Schedule of Contingent Liabilities, First Housing concludes that the above referenced Guarantors, have sufficient Net Worth for the purpose of collateralizing the FHFC Guarantees by executing a Liquidity Maintenance Agreement. First Housing's recommendation is contingent upon: (i) confirmation two weeks prior to FHFC Mortgage Loan closing of at least $4.5 million in combined liquidity for the Guarantors; however, Mr. Meyers, Mr. Lopez, Mr. Wolfe and Ms. Mades, individually, shall maintain no less than $3 million of the minimum $4.5 million liquidity requirement at all times and (ii) the Guarantors enter into a Liquidity Maintenance Agreement with FHFC. Terms of the Liquidity Maintenance Agreement must include, but are not limited to requirements for the Guarantors to: (i) continuously maintain liquid balances of not less than $4.5 million until the FHFC Guarantees have been released, (ii) certify that the minimum $4.5 million liquid balances have been continuously maintained and (iii) provide evidence of such liquid balances to the Loan Servicer on a quarterly basis. The Liquidity Maintenance Agreement must also contain a clause such that if not cured within a timely manner, failure to maintain the required balances is an event of MMRB Loan default.

4. Net Operating Income Assumptions: Based upon review of the Comparable Expense Analysis (Exhibit A); the Appraiser's overall expense estimate of $3,703 per unit appears reasonable. On a line-by-line basis however, it was found that the appraiser's estimate of administrative and marketing were lower than indicated for the comparables. Conversely, the appraiser's insurance expense was higher than the average and the Applicant's estimate. Therefore, these line items were adjusted to reflect an approximate average between the results of the comparable analysis, and the appraiser's estimate. In conclusion, based on operating data from comparable properties, third party reports (primarily a subject self-contained appraisal and market study), and the credit underwriter's independent due diligence; FHDC represents that, in our professional opinion, estimates for rental income, vacancy and loss allowances, other income, and operating expenses fall within a band of reasonableness. For purposes of this analysis, the income utilized is equal to the Appraiser's estimate and expenses (net of reserves for replacement) are slightly greater than the Appraiser's estimate.

5. Credit Enhancement Approval: This loan recommendation is contingent upon Florida Housing Guarantee Program review and approval of credit enhancement.

6. Soil Test Report: The amount of borings conducted on this site does not satisfy the Guarantee Fund requirement of at least one boring at each building site. Therefore, this report is subject to receipt and satisfactory review of an updated soil test report that is reflective of an appropriate amount of borings.

7. Market Analysis: Reinhold P. Wolff Economic Research, Inc., has performed a separate market study dated January 2003, on the proposed development. The study found the site well suited for multi-family development.

Rental apartment market conditions in Miami-Dade County and in the more immediate North County area in which the subject site is located are considered good. The current overall vacancy rate in “market rate” apartment developments in Miami-Dade County is 4.3%, while in North County the vacancy rate is 5.8%. Lower income affordable apartment developments in the North County area on the other hand report a lower vacancy rate of only 1.1%, and lower-income affordable developments throughout Miami-Dade County also report a lower vacancy rate of only .7%, as compared to the “market rate” product.

Despite economic recession, the overall average monthly rent for apartments in Miami-Dade County increased by 2.3% over the past one-year period, and in the North County area, rent increases ranged from 3.9% for the three bedroom units to 5.1% for one-bedroom units. This market study also indicates that Miami-Dade and the North County Market Area have experienced a strong pace of population and household growth in recent years, a trend that is forecasted to continue in the future.

The total estimated average annual demand for affordable apartments in Miami-Dade County of the character planned for Alhambra Cove Apartments, including both the demand generated from the growth of renter households and from existing demand generated by households currently spending an excessive portion of their income for rent is 5,330 units per year from 2003 to 2005 and 3,573 annually from 2005 to 2010. In the subject North County Market Area, the estimated annual demand for affordable apartments of the character planned at Alhambra Cove Apartments is 654 per year from 2002 to 2005, and 378 annually from 2005 to 2010. The subject area’s estimate also reflects demand generated from a share (approximately 10%) of total County demand. The subject 240-unit development represents only 0.3% of the total qualified renter households in Miami-Dade County and only 3.9% of those in the North County Market Area.

The study confirms the validity of the unit mix proposed by the Applicant. The subject’s unit sizes were found to be 37 to 133 square feet larger than the average sizes in the area for lower-income affordable developments. The overall weighted average rent proposed for Alhambra Cove is 21.2% less than the average found in the market rate developments in this area.

The demographic analysis indicates a significant pool of potential tenants with strong employment and household growth forecasted over the next five years. The market study projects an absorption rate of 28 to 30 units per month with the subject reaching stabilized occupancy 3 months after the completion of construction. The underwriter used an absorption rate of 29 units per month in our underwriting. The strong projected absorption/lease-up in this community is due primarily to the fact that, with the exception of Westview Gardens, an elderly facility, there are no other existing and/or planned affordable rental communities within the immediate subject Primary Market Area (PMA). Aswan Village, a 216-unit rental community, is the only other planned affordable development within a 10-mile radius of the subject. This MDHFA MMRB transaction, to be developed by Bank of America CDC, recently closed, but should not be competitive with the subject, as it is located outside the subject’s PMA.

In conclusion, the subject site possesses very good accessibility characteristics, and is located along a significant east-west roadway in northeastern Miami-Dade with supporting commercial uses that is considered conducive to development of affordable rental product.

Issues and Concerns:

None

Recommendation:

First Housing confirms that the proposed Alhambra Cove Apartments meet the guidelines set forth by Florida Housing, Florida Housing Guarantee Program and MDHFA for an allocation of Private Activity Volume Capital.

1. First Housing recommends a MMRB Loan of $11,880,000 in tax-exempt bonds for the construction and permanent financing of the subject development.

2. First Housing recommends an annual HC allocation up to $805,677 be awarded to Alhambra Cove based upon the Eligible/Qualified Basis Calculation.

This recommendation is based upon the assumptions detailed in this Credit Underwriting Report and subject to conditions outlined in the Loan Commitment Conditions in Section B.

The reader is cautioned to refer to these sections for complete information.

Prepared by:

Tammy Haylock-Moore
Vice President/Senior Underwriter

Reviewed by:

Edward Busansky
Senior Vice President

Alhambra Cove Apartments

Multifamily Mortgage Revenue Bond Recommendation:

Net Loan Amount	$11,880,000
Estimated Debt Service Reserve*	$402,522
Total Bond Amount	$11,880,000
Tax-Exempt Bonds	$11,880,000
Taxable Bonds	$0

*The Debt Service Reserve will be secured by a Surety Bond rather than cash funded.

HC Allocation Recommendation: $805,677

Development Type	Set Aside	Set Aside Term
New Construction	40% of units at 60% AMI (MMRB)	40 years (MMRB)
	100% of units at 60% AMI (HC)	A minimum of 30 years, with an option to convert to Market Rents after year 14. (HC)

Mortgagor	Principals	Developer
Alhambra Cove Associates, Ltd.	Jorge Lopez, Stuart I. Meyers Leon J. Wolfe & Mara S. Mades	Cornerstone Group Development, L.L.C.

Credit Enhancer	Syndicator	HC Price
FHFC Guarantee Fund in concert with HUD Risk Sharing	Wachovia Affordable Housing Community Development Corporation	$0.8150 (per dollar of HC)

Site Area	Density	Zoning
14.5 Acres	16.55 Units per Acre	RU-4L, Limited Apartment House District by Dade County, as of 12/3/02

Net Operating Income	Appraised Value	Total Development Cost
$925,802	$13,200,000 Restricted Rents Favorable Financing $13,700,000 Market Rents Market Financing	$21,767,684

Rent Roll

MSA (County): Miami PMSA (Dade)

Bed-rooms	Baths	No. of Units	Unit Size (SF)	Median Income %	Max. Gross HC Rents	Utility Allow-ance	Max Net HC Rents	Underwriter Rents	Annual Rents
1	1	48	701	60%	$542	$37	$505	$505	$290,880
2	2	108	925	60%	$651	$49	$602	$602	$780,192
3	2	84	1,156	60%	$752	$61	$691	$691	$696,528
Totals		**240**	**230,652**						**$1,767,600**

Sources of Funds

Source	Lender/ Enhancer	Application	Underwriter	Interest Rate	Amort. Yrs.	Term Yrs.	Annual Debt Service
HFA-Tax-Exempt Bonds	Guarantee Fund	$11,880,000	$11,880,000	6.207%	40.0	41.25	$805,045
SURTAX	Miami-Dade	$1,000,000	$1,000,000	0.000%	30.0	30	$33,333
Housing Credit Equity	Wachovia	$6,430,726	$6,430,726				
Deferred Developer Fee	Developer	$2,690,717	$2,456,958				
GP and LP Contribution	Cornerstone	$0	$0				
Total		**$22,001,443**	**$21,767,684**				**$838,378**

Ratios

Loan to Value[1]
90.0% Restricted Rents
Favorable Financing

86.7% Market Rents
Market Financing

Debt Service Coverage[1]
1.150; based on a maximum interest rate of 6.207%

Total Cost Per Unit
$90,699

Loan to Cost[1]
55%

Bond Loan per Unit[1]
$49,500

HFA Assistance Per Unit
$49,500

HC Allocation Per Unit
$3,357

1. Based on Total MMRB Loan recommended.

Construction Financing Sources

Source	Lender/ Enhancer	Applicant	Underwriter	Const. Int. Rate	Construction Debt Service
HFA-Tax-Exempt Bonds	Guarantee Fund	$11,880,000	$11,880,000	4.961%	$700,000
SURTAX	Miami-Dade	$1,000,000	$1,000,000	0%	$0
Housing Credit Equity	Wachovia	$6,430,726	$5,787,653		
Deferred Developer Fee	Cornerstone	$2,690,717	$2,899,798		
Deferred GC Fee	Alliance	$0	$200,233		
Developer Equity	Cornerstone		$0		
Total		**$22,001,443**	**$21,767,684**		**$700,000**

Notes to the Construction Period Sources of Funds:

1. The subject development can support the recommended MMRB Loan of $11,880,000 at a 1.15 DSC so long as annual Debt Service does not exceed $805,045. If the "all in" interest rate on the bonds is greater than 6.207%, the MMRB Loan will have to be reduced so that annual Debt Service does not exceed $805,045. The MMRB financed loan will require payments of interest only during the construction period. This calculation is based on a calculation of the actual construction interest (less escrowed fees), based upon the estimated draw schedule, and assumes a 15-month construction/stabilization period, and a base rate of 5.200% plus applicable fees. First Housing assumed a rate of 1.250% on invested funds. This amount was determined to be approximately $740,000 (See Exhibit 3 for the calculation). Note that during construction, the Guarantee Fund credit enhancement fee is 0.65%, which is escrowed at closing (15-month period). In addition, the Applicant will escrow MDHFA's fees for a 12-month period; and servicing fees should begin upon delivery of the first units. Therefore, the interest rate applied to the 8th Month will reflect the addition of servicing fees, and in Month 13 and thereafter, the addition of MDHFA's applicable fees, as reflected in Exhibit 3.

2. The Applicant has a commitment from Miami-Dade Housing Agency ("MDHA") for a SURTAX 2003 allocation in the amount of $1,000,000. This loan has a 30-year term including a 24-month construction period with no principal and interest payments due during the construction period.

3. A proposal dated November 13, 2002 was received and reviewed. Wachovia will purchase a 99.99% interest in the development partnership. The syndication commitment reflects a partnership interest of 99.99%, and a syndication rate of $.815. Capital Contributions total approximately $6,430,726, of which; approximately 50.0% of the syndication equity will be available at closing and another 40.0% during construction; for a total equity disbursement of $5,787,653, or approximately 90% during the construction/stabilization period. The initial funding of 50% satisfies FHFC's requirement that at least 50% of total equity required to complete construction be deposited with the bond trustee at closing.

4. During the construction period, the developer must defer all available developer fee and a portion of related party general contractor fees totaling $2,899,798 and $200,233 (total profit portion of GC fee is $655,737), respectively, to balance the Sources & Uses of

Funds after receipt of all available MMRB Loan proceeds and HC Equity contributions have been received.

Permanent Financing Sources

Source	Lender/ Enhancer	Application	Underwriter	Interest Rate	Amort. Yrs.	Term Yrs.	Annual Debt Service
HFA-Tax-Exempt Bonds	Guarantee Fund	$11,880,000	$11,880,000	6.207%	40.0	41.25	$805,045
SURTAX	Miami-Dade	$1,000,000	$1,000,000	0.000%	30.0	30	$33,333
Housing Credit Equity	Wachovia	$6,430,726	$6,430,726				
Deferred Developer Fee	Developer	$2,690,717	$2,456,958				
GP and LP Contribution	Cornerstone	$0	$0				
Total		**$22,001,443**	**$21,767,684**				**$838,378**

Notes to the Permanent Period Sources of Funds:

1. Based upon an anticipated NOI of $925,802, the subject development can support the recommended MMRB Loan of $11,880,000 at a 1.15 DSC so long as annual Debt Service does not exceed $805,045. If the “all in” interest rate on the bonds is greater than 6.207%, the MMRB Loan will have to be reduced so that annual Debt Service does not exceed $805,045. If the MMRB Loan is reduced, Applicant will have to fund any shortfall with an increase to Deferred Developer Fees, Deferred General Contractor Fees and/or an injection of Developer Cash (Equity).

   The current “all-in” tax-exempt interest rate of 6.496% is 0.289% higher than the 6.207% maximum interest rate at which the subject development can support the recommended MMRB Loan of $11,880,000. If interest rates at the time of MMRB Loan closing mirror current rates, the MMRB Loan would have to be reduced by $415,000 (to $11,465,000) in order to achieve a DSC of 1.15:1 at an NOI of $925,802. Note that based upon a current estimated interest rate of 6.496%, the debt service coverage is equal to 1.110: 1, which is within acceptable MDHFA parameters.

2. The Applicant has a commitment from Miami-Dade Housing Agency (“MDHA”) for a SURTAX 2003 allocation in the amount of $1,000,000. This loan shall bear an interest rate of 0% for as long as the development remains in compliance; then 3% thereafter, for a 30-year term; including a 24-month construction period with no principal and interest payments due until Month 25, at which time, principal and interest payments at 0% will be due monthly.

3. A proposal dated November 13, 2002 was received and reviewed. Wachovia will purchase a 99.99% interest in the development partnership. The syndication commitment reflects a partnership interest of 99.99%, and a syndication rate of $.815. Capital Contributions total approximately $6,430,726, of which, 50.0% of the syndication equity will be available at closing, and another 40.0% during construction. At completion, 5.8% is due, and an additional 4.2% will be available at the latest of permanent loan conversion, 1.15x debt service coverage, or upon Receipt of Forms 8609.

4. Applicant will have to defer $2,456,958 (85%) of Developer Fees during the permanent/amortization period.

Uses of Funds

	Applicants Total Costs	Underwriter's Total Costs	HC Ineligible Costs
Actual Construction Cost			
Site Work	$1,260,000	$1,260,000	
New Rental Units	$9,150,643	$9,150,643	
Rehabilitation of Existing Rental Units		$0	
Accessory Buildings	$270,000	$270,000	
Recreational Amenities	$248,304	$248,304	
Rehabilitation of Common Areas		$0	
General Contractor Fees	$1,530,053	$1,530,053	
Total Construction Contract	**$12,459,000**	**$12,459,000**	
Special Inspector & P& P Bond	$100,000	$100,000	
Hard Cost Contingency	$0	$0	
Total Actual Construction Cost	**$12,559,000**	**$12,559,000**	**$0**

Notes to the Actual Construction Costs:

1. The G/C fees are within the guideline of 14% of hard costs.

2. Note that the Contractor has also budgeted for the cost of the Payment and Performance Bond, as well as for the cost associated with hiring a special inspector. Special inspectors are allowed to perform inspections for the local authorities, if or when the local authorities are unable to inspect the property in a timely manner. Other Costs are $60,000 for a Payment and Performance Bond and $40,000 for a Special Inspector.

3. Underwriting guidelines require a funded hard costs contingency of 3% to 5%. First Housing recommends a funded hard cost contingency equal to 3% of total hard cost ($376,770). The Applicant has agreed to provide this hard cost contingency in the form of a Letter of Credit.

4. First Housing used the cost outlined in the Construction Cost Contract dated December 24, 2002 between the Applicant and Alliance Construction. This contract reflects a maximum guarantee price of $12,559,000 and was reviewed in the PCA dated February 6, 2003.

	Application Total Costs	Underwriter's Total Costs	HC Ineligible Costs
General Development Costs			
Accounting Fees	$25,000	$25,000	
Appraisal	$10,000	$7,200	
Architect's & Planning Fees	$254,000	$254,000	
Builder's Risk Insurance	$144,000	$144,000	
Building Permits (demolition)	$110,000	$110,000	
Engineering Fee	$75,000	$75,000	
Environmental Report	$12,500	$12,500	
FHFC Administrative Fee	$63,130	$61,469	$61,469
FHFC Application Fee	$1,000	$1,000	
FHFC HC Compliance Fee (HCs)	$0	$0	
Credit Underwriting Fee	$14,869	$12,550	
Impact Fees & SURs	$270,991	$270,991	
Inspection Fees/Construction Admin.	$24,000	$24,000	
Insurance	$120,000	$120,000	
Legal Fees	$90,000	$89,100	$44,550
Market Study	$5,000	$5,000	
Marketing and Advertising	$200,000	$200,000	$200,000
Pre-Construction Analysis	$0	$1,650	
Property Taxes	$75,000	$75,000	$67,500
Replacement Reserve Escrow	$48,000	$48,000	$48,000
Soil Test	$0	$0	
Survey	$17,000	$17,000	
Title Insurance & Recording Fees	$70,000	$70,000	$35,000
Utility Connection Fees	$269,800	$269,800	
Soft Cost Contingency	$50,000	$50,000	$25,000
Furniture & Fixtures and W/D	$120,000	$120,000	
Total General Development Costs	**$2,069,290**	**$2,063,260**	**$481,519**

Notes to the General Development Costs:

1. The Housing Credit fee will be treated as an additional program fee ($680/year; or approximately 0.006%), and included in the “all in” rate applied to the MMRB loan.

2. Soil test fees are including in the Engineering line item. First Housing’s budget included a cost for the PCA. Remaining General Development Costs are the applicant’s updated estimates, which appear reasonable.

3. Replacement Reserves of $200 per unit per year are normally required, however Applicant elected to prepay Replacement Reserves in the amount of $48,000 (one-half the required Replacement Reserves for Years 1 and 2). Replacement reserves escrow should not be funded with MMRB Bond funds.

4. Legal Fees were adjusted to be within the “greater of $40,000 or 75 bp”. Excess legal fees are deducted from Developer’s fee.

	Application Total Costs	Underwriter's Total Costs	HC Ineligible Costs
Financial Costs			
Credit Enhancement Fees	$378,512	$288,740	$259,866
Construction Interest Reserve	$546,000	$700,000	$350,000
Bond Costs of Issuance	$363,488	$396,332	$388,405
Hard Cost Contingency LOC Fee	$0	$5,000	$0
Other Financing Fees & Interest	$25,000	$25,000	$0
FSA Insurance Premium	$0	$111,566	$111,566
Surety Bond Fee	$0	$14,088	$14,088
Total Financial Costs	**$1,313,000**	**$1,540,727**	**$1,123,926**

Notes to the Financial Costs:

1. Bond Loan Issuance Costs are the Applicant’s detailed estimates, which were adjusted to reflect the recommended MMRB loan amount. First Housing will confirm these costs with the bond underwriter prior to closing.

2. The underwriter also adjusted the Applicant’s Issuance Cost by the cost of the insurance wrap fees, and surety bond. These fees are reflected in a separate line item. The cost for the FSA Surety Bond is estimated at 3.5% of total required debt service reserve, and the FSA Insurance Wrap fee is equal to 40 basis points of total principal and bond interest (net of fees) during the entire term of the loan.

3. The MMRB financed loan will require payments of interest only during the construction period. This calculation is based on a calculation of the actual construction interest (less escrowed fees), based upon the estimated draw schedule, and assumes a 15-month construction/stabilization period, and a base rate of 5.200% plus applicable fees. First Housing assumed a rate of 1.250% on invested funds. This amount was determined to be approximately $740,000 (See Exhibit 3 for the calculation). Note that during construction, the Guarantee Fund credit enhancement fee is 0.65%, which is escrowed at closing (15-month period). In addition, the Applicant will escrow MDHFA’s fees for a 12-month period; and servicing fees should begin upon delivery of the first units. Therefore, the interest rate applied to the 8th Month will reflect the addition of servicing fees, and in Month 13 and thereafter, the addition of MDHFA’s applicable fees, as reflected in Exhibit 3.

	Total Costs	Total Costs	Ineligible
Non-Land Acquisition Costs			
Building Acquisition Costs	$0	$0	
Other	$0	$0	
Total Non-Land Acquisition Costs	**$0**	**$0**	**$0**

Notes to Non-Land Acquisition Costs:

1. Since this is a new construction development, there are no non-land acquisition costs.

	Application Total Costs	Underwriter's Total Costs	HC Ineligible Costs
Development Cost Before Developer Fee and Land Costs	$15,941,290	$16,162,986	$1,605,445
Other Development Costs			
Net Developer Fee	$3,356,153	$2,899,798	$0
Hard Cost Contingency	$0	$0	
Other - Excess Applicant Legal Fees	$0	$900	$450
Other Development Costs	$0	$0	
Total Developer's Fee	**$3,356,153**	**$2,900,698**	**$450**

Notes to the Other Development Costs:

1. The recommended Developer's fee is equal to approximately 18% of total Development Cost before Land, Debt Service Reserve, and other non-eligible costs (i.e. Debt service reserves, and reserves for replacement escrows). The developer fee was reduced by the underwriter $900 to reflect excess applicant legal fees by the same amount.

	Application Total Costs	Underwriter's Total Costs	HC Ineligible Costs
Acquisition Costs			
Purchase Price of Land	$2,704,000	$2,704,000	$2,704,000
Other	$0	$0	$0
Land Carrying Costs (R.E. Taxes, etc.)	$0	$0	$0
Total Acquisition Costs	**$2,704,000**	**$2,704,000**	**$2,704,000**

Notes to Acquisition Costs:

1. Contract for Sale and Purchase of $2,704,000 between CURRELI, Inc. (Seller), and Cornerstone Group Associates, Inc. The contract was fully executed and assigned to the Applicant, Alhambra Cove Associates, Ltd. on July 17, 2002. The Appraiser placed a value on the land of $2,750,000, which supports the purchase price.

	Application Total Costs	Underwriter's Total Costs	HC Ineligible Costs
Total Development Costs	$22,001,443	$21,767,684	$4,309,895

Notes to Total Development Cost:

1. The Total Development Cost estimated by First Housing is similar to the Applicant's Total Cost, with some modifications, namely differences in capitalized interest calculation, and cost of issuance fees. The most significant adjustment was Developer's Fee, which required adjustment to exclude land costs, which was included in the Applicant's calculation.

OPERATING PROFORMA

DESCRIPTION		Annual	Per Unit
Revenue			
Gross Potential Rental Revenue		$1,767,600	$7,365
Other Income			
Washer/Dryer Rentals		$64,800	$270
Cable TV		$27,000	$113
Miscellaneous Income		$28,800	$120
Gross Potential Income		$1,888,200	$7,868
Less:			
Vacancy and Collection Loss (5%)		$94,410	$393
Total Effective Gross Revenue		**$1,793,790**	**$7,474**
Expenses			
Fixed:			
Real Estate Taxes		$178,560	$744
Insurance		$102,000	$425
Variable:			
Management Fee (5%)		$89,690	$374
General and Administrative		$53,259	$222
Payroll Expenses		$172,080	$717
Utilities		$146,400	$610
Marketing and Advertising		$12,000	$50
Maintenance and Repairs		$63,600	$265
Grounds Maintenance and Landscaping		$26,400	$110
Reserve for Replacements		$24,000	$100
Other		$0	$0
Total Expenses	48.4%	**$867,988**	**$3,617**
Net Operating Income	51.6%	**$925,802**	**$3,858**
Debt Service Payments			
First Mortgage - Bonds (Tax-Exempt & Taxables)		$805,045	$3,354
Second Mortgage - SURTAX Loan		$33,333	$139
Other:		$0	$0
Total Debt Service Payments		**$838,378**	**$3,493**
Operating Income After Debt Service - Before Tax		**$87,423**	**$364**
Cash Flow			

Debt Service Coverage Ratios	
Debt Service Coverage - 1st Mtg. (Bond Loan)	1.1500
Debt Service Coverage - 1st & 2nd Mtgs.	1.1043
Debt Service Coverage - All Mtgs. & Fees	1.1043

Financial Ratios	
Operating Expense Ratio	48%
Break-even Ratio	90%

Notes to the Operating Proforma and Ratios:

1. Gross Potential Rental Revenue is based upon HUD 2003 restricted rents less utility allowance as required by the HC Program, as supported by the Market Study, as well as the Appraisal.

2. The vacancy rate of 5% is based on the Appraiser's estimate.

3. Other Income is comprised of Washer/Dryer rentals, Cable TV and Miscellaneous income. The Washer/Dryer rentals are at the rate of $30/unit per month for 75% of the units; Cable TV at the rate of $12.5/unit per month for 75% of the units; Miscellaneous Income (i.e. vending income, late charges, pet deposits, forfeited security deposits, etc.) is calculated at $120/unit per year. The appraisal supports these other income estimates.

4. Based upon review of the Comparable Expense Analysis (Exhibit A) on the following page; the Appraiser's overall expense estimate of $3,703 per unit appears reasonable. On a line-by-line basis however, it was found that the appraiser's estimate of administrative and marketing were lower than indicated for the comparables. Conversely, the appraiser's insurance expense was higher than the average and the Applicant's estimate. Therefore, these line items were adjusted to reflect an approximate average between the results of the comparable analysis, and the appraiser's estimate. In conclusion, based on operating data from comparable properties, third party reports (primarily a subject self-contained appraisal and market study), and the credit underwriter's independent due diligence; FHDC represents that, in our professional opinion, estimates for rental income, vacancy and loss allowances, other income, and operating expenses fall within a band of reasonableness. For purposes of this analysis, the income utilized is equal to the Appraiser's estimate and expenses (net of reserves for replacement) are slightly greater than the Appraiser's estimate.

5. The Applicant has submitted a Management Agreement which reflects an industry-standard management fee of 5% of actual receipts and contains the appropriate verbiage regarding compliance with tenant income and (if applicable, rent restrictions).

6. Replacement Reserves are underwritten in accordance with FHFC guidelines at $200 per unit per annum. The Proforma, and 15-year cash flow reflects the fact that Replacement Reserves of $100 per unit per year will be paid from Operations for Years 1 and 2, followed by $200 per unit per year thereafter. An inflation factor based upon the Consumer Price Index will be applied to the Replacement Reserve deposit beginning in Year 7, unless waived or reduced in the event Obligor provides a Physical Needs Study prepared by an independent third party acceptable to Florida Affordable Housing

Guarantee Fund that evidences an increase in the deposit is excessive or unnecessary. First Housing has inflated this reserve by 4% annually beginning in Year 7 as shown on Exhibit 1 of this report.

7. Based upon an anticipated NOI of $925,802, the subject development can support the recommended MMRB Loan of $11,880,000 at a 1.15 DSC so long as annual Debt Service does not exceed $805,045. If the "all in" interest rate on the bonds is greater than 6.207%, the MMRB Loan will have to be reduced so that annual Debt Service does not exceed $805,045. If the MMRB Loan is reduced, Applicant will have to fund any shortfall with an increase to Deferred Developer Fees, Deferred General Contractor Fees and/or an injection of Developer Cash (Equity).

8. Refer to Exhibit I, Page 1 for a 15-Year Proforma, which reflects rental income increasing at an annual rate of 3%, and expenses increasing at an annual rate of 4%.

EXHIBIT A - EXPENSE ANALYSIS

Based on 2002 Mid-Year Actuals

	Crossings at University	Spinnaker Cove	Villa Esperansa	Golden Lakes	Vizcaya	Average	Appraiser	Developer	First Housing	
County	Miami/Dade	Miami/Dade	Miami-Dade	Miami-Dade	Miami/Dade					
# of Units	320	220	192	280	174					
Year Completed	2000	1996	6/21/1905	1997	1997					
Management	Cornerstone	Cornerstone	Cornerstone	Cornerstone	Swezy					
Expenses per unit	$3,843	$3,547	$3,641	$3,464	$3,195	$3,538	$3,703	$3,409	**$3,717**	
Property Taxes	$1,097	$680	$966	$759	$673	$835	$744	$700	**$744**	Per appraisal, methodology validated
Property Insurance	$389	$384	$441	$461	$407	$416	$425	$400	**$425**	Per Applicant's experience
Management Fees	$366	$389	$272	$375	$378	$356	$374	$374	**$374**	5% of income, underwriting guideline
General & Administrative	$275	$239	$193	$223	$249	$236	$208	$185	**$222**	Difference Between Average and Appraiser
Payroll	$282	$699	$227	$325	$491	$405	$717	$700	**$717**	Per Appraisal (1)
Utilities	$453	$696	$414	$609	$353	$505	$610	$575	**$610**	Per Appraisal
Marketing & Advertising	$31	$23	$17	$23	$0	$19	$50	$75	**$50**	Per Appraisal
Maintenance & Repairs	$840	$307	$961	$999	$437	$709	$375	$300	**$375**	Per Appraisal (1)
Security	$0	$67	$0	$0	$7	$0	$0	$0	**$0**	Included in General and Administrative
Replacement Reserves	$108	$63	$150	$0	$200	$104	$200	$100	**$200**	$100 per unit escrowed years 1-2
Total	$3,843	$3,547	$3,641	$3,774	$3,195	$3,585	$3,703	$3,409	**$3,717**	

NOTES: (1) It appears that for Cornerstone's Crossings, Golden Lakes, and Villa Esperansa, the payroll expense for maintenace has been included in maintenance and repairs instead of in the payroll expense section; thereby, resulting in a lower than typical payroll, and higher than typical maitenance/repairs estimate.

Marianne Edmonds, Inc.

PUBLIC FINANCE ADVISORY SERVICES

TO: PATRICIA BRAYNON, EXECUTIVE DIRECTOR, HOUSING FINANCE AUTHORITY OF MIAMI-DADE COUNTY, FL

FROM: MARIANNE F. EDMONDS AND LARRY FLOOD

RE: VILLA CAPRI APARTMENTS

DATE: APRIL 21, 2003

BACKGROUND

Private activity bond allocation of $80,157,584 for 2003 is available for Miami-Dade County, FL. We have had multifamily applications submitted for $76,582,984 and have approved one project requiring $8,010,000 of private activity bond allocation to go forward for financing. We do not expect to need any significant amount of allocation for single family issues.

VILLA CAPRI APARTMENTS

The credit underwriting report for Villa Capri was submitted on Tuesday, April 3, 2003..

The basic information for this project is shown below.

Development Name	Developer	Total Bond Request	Tax Exempt Request	Total Project Cost	Bond Loan Per Unit	Cost Per Unit	# of Units	Bed-rooms	Baths	Median Income %	Rent Low/Market
Villa Capri	Cornerstone Group	$16,150,000	$16,150,000	$30,301,485	$44,861	$84,171	90 144 126 360	1 2 3	1 2 2	60% 60% 60%	$504 $597 $686

Financing Structure: The Developer has provided a letter of interest from Lend Lease Mortgage Capital, a Division of Lend Lease ERal Estate Investments, stating that Lend Lease Mortgage Capital intends to place the bonds with a private investor. The private investor will require a letter of credit to cover 100% of the debt during construction. A letter of credit provider has not been identified.

Under the proposed structure, the bonds will bear a variable rate. The credit underwriting report assumed an interest rate of 3.0%. If the rate during construction increases above 3.0%, there may be a shortfall of Capitalized Interest, which would have to be funded by the Developer.

475 Central Avenue, Suite 201, St. Petersburg, FL 33701
Phone: 727-822-3339 – Fax: 727-822-3502

OUTSTANDING ISSUES

We have not seen, and therefore have not reviewed, the letter of interest issued by Lend Lease Mortgage Capital, Inc. No commitment letter has been issued.

Final Site Plans have not been submitted. The credit underwriter has reviewed conceptual Site Plans.

The property is currently zoned GU-interim. A zoning change to RU-4L has been applied for, but has not yet been received.

The Developer has not provided a timeline for Permits and Approvals.

CONDITIONS STATED IN CREDIT UNDERWRITING REPORT

In addition to the items identified above, all conditions as stated in Section B of the Credit Underwriting Report, including the following:

Loan Amount: The maximum loan amount is $16,150,000

Payment and Performance Bond: 100% payment and performance bond to secure the construction contract.

Guarantees:
Construction Completion Guarantee from Villa Capri Associates, Ltd. and Cornerstone Villa Capri LLC, the principals Stuart I. Meyers, Mara Mades, Leon Wolfe and Jorge Lopez, The Cornerstone Group Development LLC and Cornerstone Group Development Corporation.

Operating Deficit Guarantee from Villa Capri Associates, Ltd. and Cornerstone Villa Capri LLC, the principals Stuart I. Meyers, Mara Mades, Leon Wolfe and Jorge Lopez, The Cornerstone Group Development LLC and Cornerstone Group Development Corporation.

Environmental Indemnity from Vila Capri Associates, Ltd. and Cornerstone Villa Capri LLC, the principals Stuart I. Meyers, Mara Mades, Leon Wolfe and Jorge Lopez, The Cornerstone Group Development LLC and Cornerstone Group Development Corporation.

Guaranty of Recourse Obligations from Villa Capri Associates, Ltd. and Cornerstone Villa Capri LLC, the principals Stuart I. Meyers, Mara Mades, Leon Wolfe and Jorge Lopez, The Cornerstone Group Development LLC and Cornerstone Group Development Corporation.

Liquidity Requirements: Confirmation of financial liquidity as required by the credit underwriting report.

RECOMMENDATION

This financing is not ready to proceed. We recommend that the decision to proceed be made only after the items identified in OUTSTANDING ISSUES above have been resolved.

Executive Summary

This is a Seltzer Management Group, Inc. ("Seltzer" or "SMG") Multifamily Mortgage Revenue Bond ("MMRB") Review Report for Villa Capri, a proposed new construction development to be located at 14500 SW 280th Street, in Naranja, Miami-Dade County, FL. The development will consist of 360 units in 18 residential buildings plus an accessory building (Clubhouse). There will be 646 parking spaces provided, including 19 handicapped spaces.

Based upon demographic and market analysis, including existing and proposed developments, the Appraiser anticipates Villa Capri to be absorbed as a restricted Rent Property at a rate of 20 units per month beginning in the month the first Certificate of Occupancy ("C/O") is received. The construction phase will last approximately 14 months. Stabilization is anticipated to occur approximately seventeen months following issuance of the first C/O. For purposes of this Credit Underwriting Report, SMG utilizes a 24-month construction/stabilization period in its Capitalized Interest analysis (see Exhibit 1).

Ownership Structure:

The Applicant, Villa Capri Associates, Ltd., is a Florida Limited Partnership formed to own and operate Villa Capri Apartments. The General Partner of Applicant (with a 0.01% ownership interest) is Cornerstone Villa Capri, L.L.C. ("Cornerstone Villa Capri"), a Florida Limited Liability Company. The members of Cornerstone Villa Capri are JL Holding Corp. ("JL Holding"), a Florida Corporation controlled by Jorge Lopez (50%), Stuart I. Meyers Family Partnership, Ltd. ("Meyers Family"), a Florida Limited Partnership controlled by Stuart I. Meyers (30%), M3, Inc., a Florida Corporation controlled by Leon J. Wolfe (10%) and MSM, Inc., a Florida Corporation controlled by Mara S. Mades (10%).

The Limited Partners of Applicant totaling a 99.99% ownership interest are Meyers Family at 29.997% (Mr. Meyers), JL Holding at 49.995% (Mr. Lopez), M3 at 9.999% (Mr. Wolfe) and MSM at 9.999% (Ms. Mades). Lend Lease Real Estate Investments Limited Partnership, ("LLREI"), Boston, MA, or an affiliate will be the Equity Investor (Syndicator) of the HC and become the 99.99% Limited Partner at, or prior to MMRB Loan closing.

The Developer is Cornerstone Group Development, L.L.C., Coral Gables, FL. The General Contractor is Alliance Construction, L.L.C. The Property Manager is Cornerstone Residential Management, L.L.C. They are related companies, and all are owned 50% by JL Holding (Mr. Lopez), 30% by SIM Interests, Inc. (Mr. Meyers), 10% by M3 (Mr. Wolfe), and 10% by MSM (Ms. Mades).

MMRB Loan:

Applicant has applied for a MMRB Loan to be issued by the Housing Finance Authority of Miami-Dade County ("Miami-Dade" or "HFA") for the construction and permanent financing of Villa Capri. The Applicant made an initial request for a MMRB Loan totaling $17,890,000 to be financed by the sale of tax-exempt bonds. The Applicant revised their request for a reduced tax-exempt MMRB loan in the amount of $16,150,000.

SMG is underwriting Villa Capri by determining its anticipated Net Operating Income ("NOI"). Based upon a projected NOI of $1,382,381, SMG has calculated the supportable MMRB Loan amount for various amortization periods and "all-in" interest rates. This information is presented in the format of a table attached to this Credit Underwriting Report as Exhibit 2. The proposed development can support a Mortgage Loan in the amount of $16,150,000 at a tax-exempt interest rate not to exceed 7.37%, utilizing the HFA required debt service coverage ratio of 1.10. Based on the current “all-in” rate of 7.24% the DSC is 1.116.

Terms and conditions of the MMRB Loan include a 42.00-year term (an 24-month construction/stabilization phase followed by a 40-year permanent/amortization period), a fixed interest rate during the permanent period and a combined DSC ratio of not less than 1.10 to 1 (including scheduled MMRB Loan principal and interest payments, Issuer, and Bond Trustee fees, and Compliance Monitoring fees). The Base Rate for the tax-exempt bonds is 6.80%. However, the interest rate during the construction period will be a floating rate estimated at 3%. Guaranteed Investment Contract (“GIC”) earnings on un-disbursed MMRB funds will accrue at an estimated rate of 1.25%.

During the permanent period the loan will have an “all-in” rate of 7.24%. The “all-in” rate will consist of a tax-exempt bond base interest rate of 6.80%, an Issuer fee of 0.35%, a Bond Trustee fee of 0.05% and a Compliance Monitoring fee of 0.04%.

The MMRB Loan will be secured by a First Mortgage on Villa Capri and a First Security Interest in all Personalty of the subject development. Based upon the requirements of the Private Placement Purchaser, Replacement Reserves of $150 per unit per year will be paid from Operations for Years 1 through 5, followed by $200 per unit per year thereafter. Monthly deposits to an Escrow for Property Taxes and Insurance are also required.

Based upon an anticipated NOI of $1,382,381, the subject development can support the recommended MMRB Loan of $16,150,000 at a 1.10 DSC so long as annual Debt Service does not exceed $1,256,710.

Private Placement and MFRB Structure:

Applicant has provided a letter of Interest from Lend Lease Mortgage Capital, a Division of Lend Lease Real Estate Investments. Lend Lease intends to place the bonds with a private investor who will require a 100% Letter of Credit (“LOC”) during construction. An LOC provider has not been identified. The MMRB Loan is anticipated to have a term up to 42.00 years (a 40-year permanent/amortization period following a construction/stabilization period of 24 months). In addition, the bond purchaser will provide a loan amount up to 100% of the Appraised value based upon restricted rents and market financing and a minimum debt service coverage ratio of 1.15 to 1.10. Ongoing fees include an Issuer fee of 0.35% a Bond Trustee fee of 0.05%, and a Compliance Monitoring fee of 0.04%. LLMC does not require a Debt Service Reserve (“DSR). The interest rate during the construction period will be a floating rate currently estimated at 3.00%. If the interest rate during construction increases then the Capitalized Interest Account may suffer a shortfall, which will have to be funded through deferral of additional general contractor fees or Developer Cash (Equity).

HC Equity:

Applicant will apply to FHFC for 4% HC. Applicant provided SMG with a copy of a January 23, 2003, Syndication Letter from LLREI that is valid through December 31, 2003. LLREI, or an affiliate, will become the 99.99% Limited Partner concurrent with or prior to MMRB Loan closing. With $11,267,493 of Syndicated HC and a Syndication Rate of $0.8200, the Limited Partnership anticipates a Net Equity Contribution of $9,239,000. Of this amount, $4,619,500 will be advanced upon admission to the Limited Partnership. Subsequent installments during the construction period include $1,616,825 at 50% completion and $1,616,825 at 75% completion. $570,000 will be funded at the completion of construction, $600,000 at the later of Permanent Loan conversion or HC determination and $215,850 at the achievement of a 1.12 DSC for 6 consecutive months or issuance of Form(s) 8609. Seltzer's recommendations are contingent upon closing of the HC purchase consistent with the terms of this Credit Underwriting Report.

Other Financing Sources:

An additional Source of Funds for this development is Deferred Developer Fees, General Contractor Fees and Developer Cash (Equity).

During the construction period, the developer must defer all available developer fees and related party general contractor fees totaling $4,056,023 and $1,672,312, respectively, to balance the Sources & Uses of Funds after receipt of all available MMRB Loan proceeds and HC Equity contributions have been received.

Applicant will have to defer $4,056,023 of Developer Fees during the permanent/amortization period. In addition, the developer must fund a permanent period shortfall of $856,462 with Developer Cash (Equity).

Note: Applicant states it will provide a Letter of Credit to cover a Hard Cost Contingency equal to 3% of the construction contract (or $567,420). Evidence of a letter of credit equal to this amount in form and substance acceptable to HFA and from a financial entity approved by HFA is a condition of this report.

Additional Information:

1. Purchase of Bonds: The Applicant has provided a letter of Interest from Lend Lease Mortgage Capital, a Division of Lend Lease Real Estate Investments, to place the bonds with a private investor. A commitment as required by the HFA guidelines has not been received.
2. Zoning: The site is currently zoned GU – Interim, which allows uses depending on the character of the area. Under that designation, the development would not be allowed. Therefore, the developer has applied for a zoning change to RU-4L, which allows 23 units per acre. A copy of the completed application dated January 22, 2003 was received and reviewed by SMG.
3. Status of Site: The site is currently improved with 301 sites for mobile home hook-up of which a portion are leased and the rest are vacant. The developer intends to relocate the current residents and demolish the current structures on the site. This is anticipated to take several months.

   The development site, which totals 25.09 acres, is part of a larger site that totals approximately 36.88 acres. A certified survey delineates the parcel to be developed as Villa Capri apartments. The developer anticipates developing town homes on the other portion of the site.
4. Development Schedule: The development must resolve two issues in order to move forward, a zoning change and relocation of current mobile home residents. Based on these to issues, SMG cannot determine the when construction may begin.

5. Debt Service Coverage: SMG has underwritten the development utilizing a minimum DSC ratio of 1.10 per HFA guidelines. However, the terms in the letter of interest from LLMC requires a minimum DSC of 1.15. Based on the current "all-in" rate and underwritten NOI the DSC is 1.116.
6. Architectural Design Review Committee: The developer has made revisions to the plans originally submitted to the Architectural Review and Design Committee ("ADRAC"). This report is conditioned upon the developer presenting final plans to ADRAC prior to closing.
7. Local Subsidy: The developer has applied for a local subsidy in the amount of $1,000,000. However, no documentation has been received or reviewed as of yet. Without the $1,000,000 subsidy the development has a gap of $856,462 in the sources of funds after deferral of the entire developer fee. The Developer has indicated that they will fund the shortfall with Developer Cash (Equity) while continuing to pursue the local subsidy.
8. Extraordinary Development Costs: The developer has indicated that costs associated with offsite improvements total $237,000. SMG has not confirmed that these improvements are included in the development plans and specifications. While these amounts appear reasonable, SMG is unable to confirm the costs associated with the offsite improvements for purposes of determining ineligible HC basis. SMG recommends that the schedule of values be amended to detail costs associated with the offsite improvements.

Issues and Concerns:

None.

Recommendations:

SMG recommends a MMRB Loan of $16,150,000 in tax-exempt bonds for the construction and permanent financing of the subject development.

Seltzer's recommendations are based upon the assumptions detailed in this Credit Underwriting Report and subject to the MMRB Loan Conditions outlined in Section B.

Prepared by:

Carlos L. Toledo

Carlos L. Toledo
Credit Underwriter

Reviewed by:

Benjamin S. Johnson
President

Villa Capri Apartments

Multifamily Mortgage Revenue Bond Program Recommendation:

MMRB Loan Requested:	$16,150,000
Tax-Exempt Bonds:	$16,150,000
Debt Service Reserve	$0*
MMRB Loan Recommendation:	$16,150,000

* LLMC does not require a Debt Service Reserve

Development Type	Set Asides	Set Aside Term
New Construction	100% at 60% of AMI (MMRB) 100% at 60% of AMI (HC)	Minimum 15Years (MMRB)
Mortgagor	**Developer**	**Principals**
Villa Capri Associates, Ltd.	Cornerstone Group Development, L.L.C.	Jorge Lopez, Stuart I. Meyers, Leon J. Wolfe and Mara S. Mades
Private Placement Purchaser	**Syndicator**	**HC Syndication Rate**
Lend Lease Mortgage Capital	Lend Lease Real Estate Investments Limited Partnership or Affiliate	$0.8200 per dollar of HC
Site Area	**Density**	**Zoning**
25.09 acres	14.3 units per gross acre	GU Interim Use
Net Operating Income	**Appraised Value**	**Total Development Cost**
$1,382,381	$21,700,000 “Restricted Rents and Favorable Financing” $17,430,000 “Restricted Rents and Market Financing”	$30,301,485

Rent Roll

MSA/County: Tampa-St. Petersburg-Clearwater MSA/Miami-Dade County

Bed-rooms	Baths	No. of Units	Unit Size (SF)	Median Income %	Gross HC Rents	Utility Allow-ance	Max Net HC Rents	Applicant Rents	Underwriter Rents	Annual Rents
1	1	90	692	60%	$542	$38	$504	$504	$504	$544,320
2	2	144	997	60%	$651	$54	$597	$598	$597	$1,031,616
3	2	126	1,208	60%	$752	$66	$686	$688	$686	$1,037,232
Totals		**360**	**358,056**							**$2,613,168**

Sources of Funds

Source	Lender	Application	Revised Applicant	Underwriter	Interest Rate	Amort. Yrs.	Term Yrs.	Annual Debt Service
Tax-Exempt Bonds	HFA	$16,510,000	$16,150,000	$16,150,000	7.240%	40	42.00	$1,238,264
Housing Credit Equity	LLREI	$9,000,000	$9,239,000	$9,239,000				$0
Local Subsidy	MDHA	$1,000,000	$1,000,000	$0				$0
Deferred Developer Fee	Cornerstone	$3,550,064	$3,968,785	$4,056,023				$0
Developer Cash (Equity)	Cornerstone	$0	$0	$856,462				$0
Total		**$30,060,064**	**$30,357,785**	**$30,301,485**				**$1,238,264**

Ratios

Loan To Value[1]

74.42% “Restricted Rents and Favorable Financing”

92.66% “Restricted Rents and Market Financing”

Debt Service Coverage

1.10 based upon the “all in” interest rate[2] of 7.37%

Total Cost Per Unit

$84,171

Loan To Cost[1]

53.30%

Loan Per Unit[1]

$44,861

HFA Assistance Per Unit[3]

$44,861

HC Allocation Per Unit

$3,130

[1]Based upon the MMRB Loan recommended

[2]Based upon the MMRB Loan recommended at the maximum “all in” interest rate

[3]Excludes HC syndication Proceeds (since HC direct from U.S. Treasury)

Construction Financing Sources

Source	Lender	Application	Revised Applicant	Underwriter	Interest Rate	Construction Debt Service
Tax-Exempt Bonds	HFA	$16,510,000	$16,150,000	$16,150,000	3.00%	$322,193
Housing Credit Equity	LLREI	$9,000,000	$9,239,000	$8,423,150		$0
Local Subsidy	MDHA	$1,000,000	$1,000,000	$0		$0
Deferred Developer Fee	Cornerstone	$3,550,064	$3,968,785	$4,056,023		$0
Deferred GC Fee	Alliance	$0	$0	$1,672,312		$0
Total		**$30,060,064**	**$30,357,785**	**$30,301,485**		**$322,193**

Notes to the Construction Period Financing Sources:

1. MMRB financing will be provided through a private placement using Lend Lease Mortgage Capital. The MMRB Loan will require payments of interest (only) during the construction/stabilization phase of 24 months). The Construction Contract is for a period of 14 months. Construction Debt Service, which limits Eligible Basis, is calculated based upon a floating rate of 3.00% for the tax-exempt bonds and average outstanding MMRB Loan balance of 57% during construction. Capitalized Interest included in the Development Budget is inclusive of this amount, but it also takes into account Debt Service during the stabilization period and Guaranteed Investment Contract ("GIC") earnings generated on un-disbursed bond funds at an estimated rate of 1.25% (see Exhibit 1).
2. Applicant provided SMG with a copy of a January 23,2003 Syndication Letter from LLREI, valid through December 31, 2003. LLREI, or an affiliate, will become the 99.99% Limited Partner concurrent with or prior to MMRB Loan closing. With $11,267,493 of Syndicated HC and a Syndication Rate of $0.8200, the Limited Partnership anticipates a Net Equity Contribution of $9,239,000. Of this amount, $4,619,500 will be advanced upon admission to the Limited Partnership. Subsequent installments during the construction include $1,616,825 at 50% completion and $1,616,825 at 75% completion. Seltzer's recommendations are contingent upon closing of the HC purchase consistent with the terms of this Credit Underwriting Report.
3. During the construction period, the developer must defer all available developer fees and related party general contractor fees totaling $4,056,023 and $1,672,312, respectively, to balance the Sources & Uses of Funds after receipt of all available MMRB Loan proceeds and HC Equity contributions have been received.

Permanent Financing Sources

Source	Lender	Application	Revised Applicant	Underwriter	Interest Rate	Amort. Yrs.	Term Yrs.	Annual Debt Service
Tax-Exempt Bonds	HFA	$16,510,000	$16,150,000	$16,150,000	7.240%	40	42.00	$1,238,2
Housing Credit Equity	LLREI	$9,000,000	$9,239,000	$9,239,000				$
Local Subsidy	MDHA	$1,000,000	$1,000,000	$0				$
Deferred Developer Fee	Cornerstone	$3,550,064	$3,968,785	$4,056,023				$
Developer Cash (Equity)	Cornerstone	$0	$0	$856,462				$
Total		**$30,060,064**	**$30,357,785**	**$30,301,485**				**$1,238,2**

Notes to the Permanent Financing Sources:

1. MMRB financing will be provided through a private placement using Lend Lease Mortgage Capital. Terms of the MMRB Loan include a term of 42.00 years (a 40-year permanent/amortization period following a construction/stabilization phase of 24 months). The base interest rate for the tax-exempt bonds is currently estimated to be 6.80%. Additional fees include an Issuer fee of 0.35% a Bond Trustee fee of 0.05%, and a Compliance Monitoring fee of 0.04%. Replacement Reserves to be funded from Operations will be $150 per unit per year for Years 1 through 5, followed by $200 per unit per year thereafter. Monthly deposits to an Escrow for Property Taxes and Insurance are required.
2. Per a January 23, 2003, Commitment Letter valid through December 31, 2003, LLREI will become the 99.99% Limited Partner concurrent with or prior to MMRB Loan closing. With $11,267,493 of Syndicated HC and a Syndication Rate of $0.8200, the Limited Partnership anticipates a Net Equity Contribution of $9,239,000. Of this amount, $4,619,500 will be advanced upon admission to the Limited Partnership. Subsequent installments during the construction include $1,616,825 at 50% completion and $1,616,825 at 75% completion. $570,000 will be funded at the completion of construction, $600,000 at the later of Permanent Loan conversion or HC determination and $215,850 at the later of achievement of a 1.12 DSC for 6 consecutive months or issuance of Form(s) 8609. Seltzer's recommendations are contingent upon closing of the HC purchase consistent with the terms of this Credit Underwriting Report.
3. Deferred Developer Fees of $4,056,023 represents the amount that must be deferred from payment during the permanent/amortization period after all available MMRB Loan proceeds and HC Equity contributions have been received.
4. Developer Cash (Equity) of $856,462 represents an amount the developer must provide in order to fund the financing shortfall in the permanent period.

Uses of Funds

	Application Total Costs	Applicant's Revised Total Costs	Underwriter's Total Costs	HC Ineligible Costs
Actual Construction Costs				
Construction Contract				
Site Work	$2,070,000	$2,070,000	$2,070,000	$0
Off-Site	$0	$0	$0	$0
New Rental Units	$13,522,014	$13,822,262	$13,822,262	$0
Special Inspection Fees	$45,000	$45,000	$45,000	$0
Payment & Performance Bonds	$90,000	$90,000	$90,000	$0
Recreational Amenities	$222,021	$280,546	$280,546	$0
Accessory Buildings	$250,000	$300,000	$300,000	$0
Contractor's Fee (Not to Exceed 14%)	$2,248,965	$2,306,192	$2,306,192	$0
Total Construction Contract	$18,448,000	$18,914,000	$18,914,000	$0
Contingency	$0	$0	$0	$0
Total Actual Construction Costs	**$18,448,000**	**$18,914,000**	**$18,914,000**	**$0**

Notes to the Actual Construction Costs:

1. Applicant provided a copy of a December 16 2002, Construction Contract with Alliance Construction, L.L.C. ("Alliance"), a related company, in the amount of $18,914,000. The Construction Schedule indicates 100% completion within a period of 14 months.
2. General Contractor Fees consist of General Requirements, Overhead and Profit. At $2,306,192, General Contractor Fees are 14.00% of the (net) Construction Contract (i.e., the Construction Contract figure of $18,914,000 less Special Inspection Fees of $45,000, Payment & Performance Bonds of $90,000 and the General Contract fee, itself). General Contractor Fees are therefore within the 14% underwriting guidelines.
3. Applicant states it will provide a Letter of Credit to cover a Hard Cost Contingency equal to 3% of the construction contract (or $567,420). Evidence of a letter of credit equal to this amount in form and substance acceptable to HFA and from a financial entity approved by HFA is a condition of this report.

	Application Total Costs	Applicant's Revised Total Costs	Underwriter's Total Costs	HC Ineligible Costs
General Development Costs				
Accounting Fees	$25,000	$25,000	$25,000	$0
Appraisal	$17,500	$17,500	$5,500	$0
Architect's Fee - Design	$288,000	$288,000	$210,000	$0
Architect's Fee - Supervision	$0	$0	$0	$0
Builder's Risk Insurance	$234,000	$234,000	$234,000	$0
Building Permit	$200,000	$200,000	$200,000	$0
Brokerage Fees	$0	$0	$0	$0
Closing Costs - Construction	$0	$0	$0	$0
Closing Costs - Permanent	$0	$0	$0	$0
Engineering Fee	$102,600	$102,600	$102,600	$0
Environmental Report	$15,000	$15,000	$15,000	$0
FHFC Administrative Fee	$88,350	$90,149	$90,149	$90,149
FHFC/HFA Application Fees	$0	$0	$7,400	$0
FHFC Compliance Monitoring Fee	$75,000	$75,000	$75,000	$75,000
HFA Credit Underwriting Fee	$14,280	$14,280	$10,750	$0
Impact Fees	$300,199	$100,271	$100,271	$0
Inspection Fees	$28,000	$28,000	$28,000	$0
Insurance	$144,000	$144,000	$144,000	$144,000
Legal Fees	$120,000	$120,000	$120,000	$60,000
Market Study	$0	$0	$5,000	$0
Marketing and Advertising	$225,000	$175,000	$175,000	$175,000
Pre-Constr. Analysis/Existing Prop. Eval.	$0	$0	$0	$0
Property Taxes	$50,000	$50,000	$50,000	$25,000
Soil Test	$0	$0	$0	$0
Survey	$15,000	$15,000	$15,000	$0
Title & Recording Fees	$85,000	$85,000	$85,000	$42,500
Utility Connection Fees	$72,135	$194,985	$194,985	$0
Other - Clubhouse Furniture	$120,000	$120,000	$120,000	$0
Miscellaneous	$0	$50,000	$50,000	$0
Total General Development Costs	**$2,219,064**	**$2,143,785**	**$2,062,655**	**$611,649**

Notes to the General Development Costs:

1. Separate line items for Builders Risk and Operating Insurance are provided.
2. HFA Administrative, Application, Compliance Monitoring and Credit Underwriting fees are actual costs as determined by SMG. HFA Application Fees consist of Year 2002 MMRB including TEFRA.
3. Appraisal, Market Study and PCA fees are the actual costs engaged by SMG.
4. Other General Development Costs are Applicant’s estimates, which appear reasonable.

	Application Total Costs	Applicant's Revised Total Costs	Underwriter's Total Costs	HC Ineligible Costs
Financial Costs				
Bond Loan Credit Enhancement Fees	$0	$0	$0	$0
Bond Loan Construction Interest	$575,000	$562,000	$608,045	$152,011
Construction Loan Costs of Issuance	$979,000	$962,000	$948,762	$0
Permanent Loan Costs	$0	$0	$0	$0
Bond Loan Lease-Up Interest	$0	$0	$0	$0
Bridge Loan Origination Fee	$0	$0	$0	$0
Bridge Loan Interest	$0	$0	$0	$0
Surety Bond Premium	$0	$0	$0	$0
Prepaid Replacement Reserve	$0	$0	$0	$0
Other - Debt Service Reserve	$0	$0	$0	$0
Total Financial Costs	**$1,554,000**	**$1,524,000**	**$1,556,807**	**$152,011**

Notes to the Financial Costs:

1. Bond Loan Construction Interest in the Development Budget is Seltzer’s estimate based upon a 24-month construction/stabilization phase. Capitalized Interest is calculated as interest on the bonds (plus any bond-related fees not prepaid or escrowed at closing) less GIC earnings on un-disbursed bond funds at an estimated rate of 1.25%. This calculation is scheduled in Exhibit 1 of this report.
2. Other Financial Costs are Applicant’s, which appear reasonable. SMG will confirm these costs with the Bond Underwriter prior to closing the MMRB Loan.

	Application Total Costs	Applicant's Revised Total Costs	Underwriter's Total Costs	HC Ineligible Costs
Non-Land Acquisition Costs				
Building Acquisition Costs	$0	$0	$0	$0
Other	$0	$0	$0	$0
Total Non-Land Acquisition Costs	**$0**	**$0**	**$0**	**$0**

Notes to the Non-Land Acquisition Costs:

1. Since this is new construction, there are no Non-Land Acquisition Costs.

	Application Total Costs	Applicant's Revised Total Costs	Underwriter's Total Costs	HC Ineligible Costs
Development Cost Before Land and Developer Fee	$22,221,064	$22,581,785	$22,533,462	$763,660
Other Development Costs				
Developer Fee on Acquisition of Buildings	$0	$0	$0	$0
Developer Fee	$4,000,000	$4,064,000	$4,056,023	$0
Other	$0	$0	$0	$0
Total Other Development Costs	**$4,000,000**	**$4,064,000**	**$4,056,023**	**$0**

Notes to the Other Development Costs:

1. Developer Fees at 18.00% of Development Cost before Land and Developer Fee are within the 18% maximum for transactions with MMRB financing.

	Application Total Costs	Applicant's Revised Total Costs	Underwriter's Total Costs	HC Ineligible Costs
Development Cost Before Land	$26,221,064	$26,645,785	$26,589,485	$763,660
Land Acquisition Costs				
Land	$3,601,000	$3,475,000	$3,475,000	$3,475,000
Other - Relocation Costs	$238,000	$237,000	$237,000	$237,000
Total Land Acquisition Costs	**$3,839,000**	**$3,712,000**	**$3,712,000**	**$3,712,000**

Notes to the Land Acquisition Costs:

1. Applicant provided a copy of a Purchase and Sale Agreement reflecting a price of $6,100,000 that was executed October 31, 2002, by Sunrise Village Mobile Home Park ("Seller") and November 4, 2002, by Villa Capri Associates, LTD, Inc. ("Buyer"). However, the portion attributable to the development is 25.09 acres as shown on the certified survey. The developer has valued that portion at $3,475,000. That value is supported by the appraised "As Is" value of $3,510,000.
2. Relocation costs were estimated by the developer to reflect the expense of moving current mobile home residents prior to development of the site. The cost was estimated using an average cost of $988 per lot for the remaining 240 occupied lots (out of 301 total lots). The estimate appears reasonable.

	Application Total Costs	Applicant's Revised Total Costs	Underwriter's Total Costs	HC Ineligible Costs
Total Development Cost	**$30,060,064**	**$30,357,785**	**$30,301,485**	**$4,475,660**

Operating Pro Forma

DESCRIPTION	ANNUAL	PER UNIT
Revenue		
Gross Potential Rental Revenue	$2,613,168	$7,259
Other Income:		
Washer/Dryer Rentals	$113,400	$315
Cable Television Income	$45,900	$128
Miscellaneous Income	$75,600	$210
Interest Income	$0	$0
Gross Potential Income	$2,848,068	$7,911
Less:		
Vacancy Loss - 4%	($113,923)	($316)
Collection Loss - 1%	($28,481)	($79)
Total Effective Gross Revenue	$2,705,665	$7,516
Expenses		
Fixed:		
Taxes	$252,000	$700
Insurance	$180,000	$500
Variable:		
Management Fees - 5%	$135,283	$376
General and Administrative	$36,000	$100
Payroll Expenses	$252,000	$700
Utilities	$198,000	$550
Marketing and Advertising	$27,000	$75
Maintenance and Repairs	$117,000	$325
Grounds Maintenance and Landscaping	$0	$0
Ground Lease	$0	$0
Replacement Reserve	$54,000	$150
Other:Contract Services	$72,000	$200
Other: Trash Removal		$0
Total Expenses	$1,323,283	$3,676
Net Operating Income	$1,382,381	$3,840
Debt Service Payments		
First Mortgage	$1,238,264	$3,440
Second Mortgage	$0	$0
Other: Negative Arbitrage on Debt Service Reserve	$0	$0
Other Fees - Letter of Credit/Guarantee	$0	$0
Other Fees - Agency/Trustee/Servicer	$0	$0
Total Debt Service Payments	$1,238,264	$3,440
Operating Income After Debt Service - Before Tax Cash Flow	$144,117	$400

Debt Service Coverage Ratios	
Debt Service Coverage - First Only (incl. Negative Arbitrage)	1.116
Debt Service Coverage - First and Second	1.116
Debt Service Coverage - All Mortgages	1.116
Debt Service Coverage - All Mortgages and Fees	1.116

Financial Ratios	
Operating Expense Ratio	48.9%
Break-Even Ratio	89.9%

Notes to the Operating Pro Forma and Ratios:

1. The Rent Roll is based upon Year 2002 Maximum Restricted Rents published by HFA, less Utility Allowances per an February 11, 2002, Utility Provider Letter from Florida Power and Light ("FPL"). The Year 2003 Maximum Restricted Rents are supported by the Restricted Rent Comparables, the Market Study, and the Appraisal.
2. SMG has underwritten Vacancy Loss at 4% and Collection Loss at 1%. These assumptions are supported by the restricted rent comparables and the appraisal.
3. Seltzer's projection for Washer/Dryer Rental Income is based upon 75% of Villa Capri units renting washers and dryers at $35 per month. Restricted Rent Comparables and the Appraisal support the projection.
4. Cable Television Income is the net revenues (after expenses) from bulk cable television service. It is estimated based upon 85% of the units subscribing to the service, generating a net $12.50 per subscriber after expenses. Restricted Rent Comparables and the Appraisal support Seltzer's estimate of $128 per unit per year.
5. Miscellaneous Income includes Late Fees, Cancellation Fees, Forfeited Deposits, Vending Income and Income from other miscellaneous sources to total $210 per unit per year. Restricted Rent Comparables and the Appraisal support Seltzer's projection.
6. The subject development is located in unincorporated Miami-Dade County. Seltzer's projection of $700 per unit per year for Real Estate Taxes is in line with the Developer's projection. The projection is lower than the average of the Restricted Rent Comparables but higher than estimate provided for in the Appraisal.
7. Seltzer's projection of $500 per unit per year for Insurance is greater than both the appraiser's and Developer's projection. However, this amount is consistent with 2002 actual per unit insurance costs for numerous South Florida properties monitored by SMG.
8. SMG projects Management Fees at 5% of Total Effective Gross Revenue, which conforms to the November 9, 2002, Property Management Agreement with Cornerstone Residential Management, L.L.C., a related company.
9. Utilities include tenants' monthly service of Water and Sewer, which Applicant will pay.
10. Based upon the requirements of the Private Placement Purchaser, Replacement Reserves of $150 per unit per year will be paid from Operations for Years 1 through 5, followed by $200 per unit per year thereafter. Monthly deposits to an Escrow for Property Taxes and Insurance are also required.

11. Based upon operating data from comparable properties, third-party reports (Appraisal and Market Study) and the Credit Underwriter's independent Due Diligence, SMG represents that, in its professional opinion, estimates for Rental Income, Vacancy and Collection Loss Allowances, Other Income and Operating Expenses fall within a band of reasonableness. For purposes of this analysis, Seltzer's estimates of Total Effective Gross Revenue and Operating Expenses are $29,633 less and $107,009 greater than, respectively, those utilized by the Appraiser in determining the Investment Value of the subject development under "Restricted Rents and Favorable Financing".

12. A 15-year Income and Expense projection that reflects increasing Debt Service Coverage is attached to this report as Exhibit 3.

Underwriting Checklist

Item	Complete	Issue
Identity of Borrower (Individual, Corporation or Limited Partnership) and Principals plus Legal Documentation creating the Borrowing Entity.	Yes	
Experience of Borrower, General Contractor and Management Agent.	Yes	
Management agreement and management plan.	Yes	
Location Map identifying Development Site and reflecting Commercial Facilities, Schools and Competitive Properties.	Yes	
Final Building Plans and Specifications.	No	1
Final Site Plan.	No	1
Evidence of Site Control (Recorded Deed or Executed Contract).	Yes	
Survey.	Yes	
Permits and Approvals.	No	2
Evidence of Availability of Utilities.	Yes	
Evidence of Concurrency.	Yes	
Soil Test Reports	Yes	
Evidence of Appropriate Zoning.	No	3
Environmental Site Assessment	Yes	
Financial Statements for Borrower, Principals, and General Contractor.	Yes	
Bank and Business References; Credit Authorizations; Verifications of Deposits and Mortgage Loans.	Yes	
Private Placement Purchase Commitment Letter	No	4
Financial Statements and/or Credit Rating of PPP	Yes	
Proformas: Sources and Uses, and Income and Expense.	Yes	
Fifteen-Year Income, Expense, and Occupancy Projection.	Yes	
Feasibility Study/Market Study.	Yes	
Syndication Commitment Letter	Yes	
Construction Contract with “not to exceed” costs.	Yes	
Pre-Construction Analysis (“PCA”).	N/A	
Full Narrative Appraisal	Yes	

Outstanding Issues

1. SMG has received and reviewed conceptual Site Plans only. Final Site Plans, signed and sealed by the appropriate professional, have not been submitted.
2. Applicant has not provided a timeline for Permits and Approvals.
3. The site is currently zoned GU – Interim, which allows uses depending on the character of the area. Under that designation the development would not be allowed. Therefore, the developer has applied for a zoning change to RU-4L, which allows 23 units per acre. A copy of the completed application dated January 22, 2003 was received and reviewed by SMG.
4. The Applicant has provided a letter of Interest from Lend Lease Mortgage Capital ("LLMC"), a Division of Lend Lease Real Estate Investments. SMG has not yet received a commitment as required by the HFA guidelines. This report is conditioned upon receipt and satisfactory review of a commitment letter from LLMC.

Marianne Edmonds, Inc.
PUBLIC FINANCE ADVISORY SERVICES

TO: PATRICIA BRAYNON, EXECUTIVE DIRECTOR, HOUSING FINANCE AUTHORITY OF MIAMI-DADE COUNTY, FL

FROM: MARIANNE F. EDMONDS AND LARRY FLOOD

RE: 22ND AVE, 183RD ST, 187TH ST APARTMENTS

DATE: APRIL 21, 2003

BACKGROUND

Private activity bond allocation of $80,157,584 for 2003 is available for Miami-Dade County, FL. We have had multifamily applications submitted for $76,582,984 and have approved one project of $8,010,000 to go forward for financing. We do not expect to need any significant amount of allocation for single family issues

22nd Ave, 183rd St, 187th St. APARTMENTS

The developer originally presented this acquisition/rehab as a not for profit transaction that would not require private activity bond allocation. However, the ownership structure has changed and allocation will now be required.

22nd Ave, 183rd St, and 187th St. are three separate properties that the developer has acquired but has requested that they be financed together.

The credit underwriting report for 22nd Ave, 183rd St, 187th St was submitted on Wednesday, April 18, 2003

The basic information for this project is shown below.

Development Name	Developer	Total Bond Request	Tax Exempt Request	Total Project Cost	Bond Loan Per Unit	Cost Per Unit	Median Income %	Rent Low/Market
22nd Ave, 183rd St, 187th St	Miami Property Group	$18,578,000	$18,578,000	$29,677,028	$36,715	$58,650	60% 60% 60%	$581 $675 $802

475 Central Avenue, Suite 201, St. Petersburg, FL 33701
Phone: 727-822-3339 – Fax: 727-822-3502

Development Name	# of Units	Bed-rooms	Baths
22nd Ave.	35 84 56 175	1 2 3	1 1 1.5
183rd St	60 85 30 175	1 2 3	1 1 1.5
187th St	40 86 30 156	1 2 3	1 1 1

Financing Structure: The applicant applied for Mortgage Insurance from HUD section 223 (f) Program through Collateral Mortgage Capital, LLC, a HUD approved lender. The loan will be secured by a first mortgage and security interest on each of the developments.

OUTSTANDING ISSUES:

1. As of the date of the Credit Underwriting Report, the Applicant has not provided an executed General Contractor Agreement. The Applicant is currently bidding the work to two general contractors.

CONDITIONS STATED IN CREDIT UNDERWRITING REPORT

All conditions as stated in Section B of the Credit Underwriting Report, including the following:

Loan Amount: The maximum loan amount is $18,578,000. Depending on market conditions at the time of sale, the loan amount may need to be reduced. Shortfalls created by the loan reduction would need to be funded by the deferral of additional Developer Fees, the deferral of General Contractor Fees and/or developer equity.

Payment and Performance Bond: 100% payment and performance bond to secure the construction contract.

Guarantees:

Construction Completion Guarantee from Miami Property Group, Ltd., MPG VI, LLC, MPG VII, LLC, Spruce Realty Group, LLC, National Homes Trust, Inc., Mr. Arnold L. Porath, and Mr. Matt S. Pond to be released upon lien free completion.

Operating Deficit Guarantee from Miami Property Group, Ltd., MPG VI, LLC, MPG VII, LLC, Spruce Realty Group, LLC, National Homes Trust, Inc., Mr. Arnold L. Porath, and Mr. Matt S. Pond to be released when the development achieves a 1.15 debt service coverage on the MMRB loan, 90% occupancy, and 90% of Effective Gross Income, all for six consecutive months, as certified by a Certified Public Accountant.

Environmental Indemnity from Miami Property Group, Ltd., MPG VI, LLC, MPG VII, LLC, Spruce Realty Group, LLC, National Homes Trust, Inc., Mr. Arnold L. Porath, and Mr. Matt S. Pond

Guaranty of Recourse Obligations from Miami Property Group, Ltd., MPG VI, LLC, MPG VII, LLC, Spruce Realty Group, LLC, National Homes Trust, Inc., Mr. Arnold L. Porath, and Mr. Matt S. Pond

Liquidity Requirements: Confirmation of financial liquidity as required by the credit underwriting report.

RECOMMENDATION

Proceed with the financing of this development, subject to the conditions of the Credit Underwriting Report, the findings of ADRAC and the Authority's Guidelines.

Executive Summary

This is an AmeriNational Community Services, Inc. ("AmeriNational" or "ACS"), Multifamily Mortgage Revenue Bond ("MMRB") Credit Underwriting Report for three properties located within the City of Opa Locka, Miami-Dade County, Florida. They are:

- 22nd Avenue Apartments, ("Development") located on the SW corner of 13875 NW 22nd Avenue This development will consist of a 175-unit facility with eight- (8) two-story, garden style apartment buildings situated on an 8.42-acre site,
- 183rd Street Apartments, ("Development") located on the SW corner of 13875 NW 183rd Street. This development will consist of a 175-unit facility with eight- (8) two-story, garden style apartment buildings situated on an 8.42-acre site,
- 187th Street Apartments, ("Development") located corner of NW 37th Avenue and 187th Street. This development will consist of a 156-unit facility with eight- (8) two-story, garden style apartment buildings situated on an 8.42-acre site.

The apartment units of 22nd Avenue Apartments consist of 35 one bedroom, one bathroom, 84 two bedroom, two bathroom, and 56 three bedroom, one and one-half bathroom units built in 1969. Development amenities include a wrought iron perimeter fence with automatic gate system, clubhouse, swimming pool, laundry facilities, basketball court, and a playground area. Unit amenities include a refrigerator, gas stove, garbage disposal, vinyl kitchen floors, ceramic bathroom floors, and window air conditioners, which are owned and maintained by the tenants. The units are heated by a central gas space heater located in the building's hallways.

The apartment units of 183rd Street Apartments consist of 60 one-bedroom, one-bathroom, 85 two-bedroom, one-bathroom, and 30 three-bedroom, one bathroom units. Development amenities include a perimeter fence with automatic gate system, clubhouse, swimming pool, laundry facilities, basketball court, and playground area. The Development shares the following amenities with the adjacent property (187th Street Apartments): clubhouse, swimming pool, basketball court, and playground. Unit amenities include a refrigerator, gas stove, garbage disposal, vinyl kitchen floors, ceramic bathroom floors, and window air conditioners, which are owned and maintained by the tenants. The units are heated by a central gas space heater located in the building's hallways.

The apartment units of 187th Street Apartments consist of 35 one bedroom, one bathroom, 84 two bedroom, two bathroom, and 56 three bedroom, one bathroom units. Development amenities include a wrought iron perimeter fence with automatic gate system, clubhouse, swimming pool, laundry facilities, basketball court, and playground area. Unit amenities include a refrigerator, gas stove, garbage disposal, vinyl kitchen floors, ceramic bathroom floors, and window air conditioners, which are owned and maintained by the tenants. The units are heated by a central gas space heater located in the building's hallways.

ACS expects the rehabilitation to commence July 1, 2003 and completion to occur in January 2005.

<u>Ownership Structure</u>:

Miami Property Group, Ltd. ("Applicant") is a Florida Company formed on March 5, 2003 to own, operate, and maintain the Development. The Co-General Partners of the Applicant are: Miami Property Group, VI, LLC, ("MPG, VI") with a .0009% interest; Miami Property Group VII, LLC, ("MPG, VII") a Florida Limited Liability Company with a .0009% interest and Spruce Realty Group, LLC, ("Spruce") with a .0072% interest. Apollo Housing Capital, L.L.C. will purchase a 99.99% interest in the limited partnership along with Apollo Housing Manager II, Inc. as the special limited partner with a .001% interest.

MPG, VI and MPG, VII were formed March 5, 2003. National Homes Trust VI, Inc. and National Homes Trust VII, Inc. maintain 100% ownership interest in MPG, VI, and MPG, VII, respectively. National Homes Trust, Inc. was established on December 27, 1995 exclusively for charitable purposes to develop, acquire, manage, and operate multi-family housing facilities specifically focused on ones with special needs persons. Its Directors include: Mr. Arnold Porath, Mr. Matt Pond, and Mr. Steven Levenson, each of whom provide sufficient amount of experience to the transaction.

The Co-General Partner, Spruce Realty Group, LLC, was established on March 3, 2003. They include Mr. Arnold Porath with a 75% interest and Mr. Matt Pond with a 25%. The limited partner currently is Mr. Arnold Porath; however, he will be replaced by Apollo Housing Capital, LLC. or an affiliate thereof, as a limited partner upon admission into the partnership prior to or concurrent with MMRB closing.

Miami Property Group, Ltd., MPG VI, LLC, MPG VII, LLC, Spruce Realty Group, LLC, National Homes Trust, Inc., Mr. Arnold L. Porath, and Mr. Matt S. Pond, individually ("Guarantors") will provide guarantees of completion, operating deficit and recourse obligations. The Guarantors, in addition to the applicant entity, will also provide a guaranty of recourse obligations and an environmental indemnity.

Articles of Incorporation and current Certificates of Status have been provided on each of the ownership structure entities.

The General Contractor has yet to be determined by the Applicant; however the selection process is nearly complete. Charter Realty Group, Inc., an affiliate of National Homes Trust, Inc. will be the Management Agent.

The Applicant and its Principals have sufficient experience and financial resources to develop, construct and operate the proposed development.

<u>MMRB Loan and Mortgage Insurance Structure</u>:

The Applicant has requested a Mortgage loan of $18,578,000 from MDHFA for the construction and permanent financing of the Development. The amount requested is based upon a MDHFA tax-exempt bond issue for the three developments totaling $18,578,000 . The Applicant applied for Mortgage Insurance from the U.S. Department of Housing and Urban Development ("HUD") Section 223 (f) Program through Collateral Mortgage Capital, LLC, a HUD approved lender.

Inasmuch as the interest rate of the MMRB Loan cannot be accurately determined until the bonds are priced, ACS has underwritten the subject development by determining its anticipated Net Operating Income ("NOI"). Based upon a combined development NOI of $1,736,864 , ACS has calculated the supportable loan amount for various amortization periods and "all-in" interest rates. This information is presented in the format of a table attached to this Credit Underwriting Report as Exhibit 1.

Per the commitment provided by Collateral, the MMRB Loan is anticipated to have a 35.00-year term and amortization period. The Debt Service Coverage ("DSC") ratio will be no less than 1.1765 to 1.00 (including scheduled MMRB Loan principal and interest payments, U.S. Department of Housing and Urban Development ("HUD"), MDHFA, Servicer and Bond Trustee Fees.) The mortgage interest rate is based on the AAA rated long term tax-exempt bond rate, currently estimated to be 5.25%, plus 1.490% in add-ons for a total all-in rate of 6.740%. It is important to note, however, that interest rates will not be fixed until bonds are priced, at or near the MMRB Loan closing date. This Mortgage Insurance structure is expected to impart an "AAA" bond rating.

The MMRB Loan will be secured by a First Mortgage on each of the Developments and a First Security Interest in all personalty of the subject developments. Monthly deposits to an Escrow for property Taxes and Insurance are also required as well as $265 per unit per year ($134,090) for Replacement Reserves that will increase annually by 3% per the requirement of the lender.

The proposed development can support a MMRB Loan in the amount of $18,578,000 at a maximum "all-in" interest rate not to exceed 7.331%. Based upon an anticipated combined NOI of $1,736,864 , the subject development can support the recommended MMRB Loan at the required 1.1765 to 1.00 DSC so long as the Annual Debt Service does not exceed $1,476,297. If the interest rate on the bonds is greater than 7.331%, the MMRB Loan will have to be reduced so that annual Debt Service does not exceed $1,476,297. If the MMRB Loan is reduced, the Applicant will have to fund any shortfall with an increase to Deferred Developer Fees and/or an injection of Developer Cash (Equity).

The current "all-in" rate of 6.740% is 0.591% lower than the 7.331% maximum interest rate at which the subject developments can support the recommended MMRB Loan of $18,578,000 .

HC Equity

Based upon a Commitment Letter dated March 25, 2003, Apollo Housing Capital, LLC or an affiliate, will replace Arnold Porath as the 99.99% Limited Partner, concurrent with or prior to the closing of the MMRB Loan. With $9,410,680 of syndicated HC and a syndication rate of $0.83 per dollar of syndicated HC, the Limited Partnership anticipates a Net Equity Contribution of $7,810,083. Of this amount, $2,343,025 will be advanced upon admission to the Limited Partnership (MMRB Loan closing). One installment of $3,467,677 will be provided upon 50% completion of construction and $1,686,978 provided upon receipt of final certificates of occupancy on all units, receipt of final cost certification, and three consecutive months of a 1.15 DSC. The remaining payment will consist of $312,403 funded at the receipt of all IRD Form 8609's and receipt of Partnership Form K-1 for the first year of operation. AmeriNational's recommendations are contingent upon closing of the HC purchase consistent with the terms of this Credit Underwriting Report.

Other Financing Sources:

In addition to the proposed bonds, the Development will be financed by syndication proceeds from the sale of housing credits (“HC”), operational funds, replacement reserve funds, a bond premium and deferred developer fees. In the event the loan does not close, the Applicant will have to fund any shortfall with an increase to Deferred Developer Fees, and/or an injection of Developer Cash (Equity).

The applicant will transfer approximately $487,318 from operational funds to provide additional equity for the rehabilitation of the properties. In addition, the applicant will also transfer the current Replacement Reserve account funds of $142,000 to cover the one year of replacement reserves required to be deposited at closing.

The structure of the bonds will also allow William R. Hough and Co. to offer the bond issue at a price of 103.50% rather than a price of 100%. This will allow the ability to raise additional proceeds (approximately $650,230) that may be used to rehab the property. The impact of the premium pricing on the bond issue is that the average interest rate on the bonds is estimated to be 5.55% rather than 5.25%. Therefore it has the effect to raising the interest rate by approximately .30% per annum.

<u>Additional Information and Issues</u>:

1. Provided to ACS on March 6, 2003 by Locus Architecture is a letter which states that the permit phase duration for the three apartment sites should be approximately four- to six weeks. It is the opinion of Locus that no obstacles exist in either the existing conditions or proposed work that may prolong the reviews and issues of the permits.

2. As of the date of this report, the Applicant has not provided an executed General Contractor Agreement. The Applicant is currently bidding the work with two prospective G/Cs.

3. A PNA has been engaged by Collateral the HUD lender to determine what physical needs of the property will need to be corrected in order to bring the property to HUD standards. Receipt and satisfactory review of the PNA is a condition of this report.

   A PCR has been engaged by ACS with Consultech and Assoc. Once the G/C is selected and a contract is executed, Consultech will review the PNA to determine if all items required by HUD are included in the scope of work included in the construction contract as well as whether or not all items committed to in the ADRAC review are included and that the costs are reasonable. Receipt and satisfactory review of the PCR is a condition of this report.

NOTE: Receipt and satisfactory review of an executed G/C contract PNA and PCA is a condition of this report as found in Section B.

Recommendation:

AmeriNational recommends a MMRB loan for the rehabilitation and permanent financing of this development in the amount of $18,578,000 .

AmeriNational's recommendations are based upon the assumptions detailed in the Board Summary (Section A) and subject to the Loan Conditions outlined in the Loan Commitment Conditions/Housing Credit Allocation Recommendation (Section B), with Supporting Information and Schedules (Section C).

Prepared by:	Reviewed by:
Michael Drapkin, Jr. Credit Underwriter AmeriNational Community Services, Inc.	Nancy Griffin Senior Credit Underwriter AmeriNational Community Services, Inc.

Multifamily Mortgage Revenue Bond Program Recommendation:

Total Bond Amount:	$18,578,000
Tax Exempt Bonds:	$18,578,000
Taxable Bonds:	$0

Development Type	Set Aside	Set Aside Term
Rehabilitation	40% at 60% AMI (MMRB)	35 years (MMRB)
	100% at 60% AMI (HC)	30 years with option to convert to market after year 14 (HC)

Mortgagor	Principals	Developer
Miami Property Group, Ltd.	Mr. Arnold Porath Mr. Matt Pond	Spruce Realty Group, Inc.

Credit Enhancement	Syndicator	HC Price
HUD 223 (f)	Apollo Housing Capital, LLC	$ .815 per dollar of HC

Site Area	Density	Zoning
22nd Ave. - 8.42	20.78	RU-4 (Med. Density Apt. District)
183rd St. - 8.0	21.88	BU-1A (Limited Business District)
187th St. -12.6	12.38	RU-3M (Minimum Apt. House)
29.02 Combined		

Net Operating Income	Appraised Value	Total Development Cost
$1,736,864	22nd Ave.- $8,600,000 183rd St. - $9,300,000 187th St. - $8,000,000 Combined - $25,900,000	$29,677,028

Rent Rolls

MSA/County: Miami / Miami-Dade

22nd Avenue Apartments

Bed-rooms	Baths	No. of Units	Unit Size (SF)	Median Income %	Max Gross HC Rents	Utility Allow-ance	Max Net HC Rents	Sec. 8 Contract Rents	Underwriter Rents	Annual Rents
1	1	35	530	60%	$542	$0	$542	$581	$581	$244,020
2	1	84	645	60%	$651	$0	$651	$675	$675	$680,400
3	1.5	56	846	60%	$752	$0	$752	$802	$802	$538,944
Total		**175**	**120,106**							**$1,463,364**

183rd Street Apartments

Bed-rooms	Baths	No. of Units	Unit Size (SF)	Median Income %	Max Gross HC Rents	Utility Allow-ance	Max Net HC Rents	Sec. 8 Contract Rents	Underwriter Rents	Annual Rents
1	1	60	530	60%	$542	$0	$542	$581	$581	$418,320
2	1	85	645	60%	$651	$0	$651	$675	$675	$688,500
3	1	30	846	60%	$752	$0	$752	$802	$802	$288,720
Total		**175**	**112,005**							**$1,395,540**

187th Street Apartments

Bed-rooms	Baths	No. of Units	Unit Size (SF)	Median Income %	Max Gross HC Rents	Utility Allow-ance	Max Net HC Rents	Sec. 8 Contract Rents	Underwriter Rents	Annual Rents
1	1	40	530	60%	$542	$0	$542	$581	$581	$278,880
2	1	86	645	60%	$651	$0	$651	$675	$675	$696,600
3	1	30	846	60%	$752	$0	$752	$802	$802	$288,720
Total		**156**	**102,050**							**$1,264,200**

Ratios

Loan to Value
71.73%

Debt Service Coverage
1.151 based upon a current "all-in" interest rate of 6.983%
1.15 based upon a maximum "all-in" interest rate of 6.991%

Total Cost Per Unit
$58,650

MMRB Loan to Cost
63%

MMRB Loan per Unit
$36,715

Permanent Financing Sources

Source	Lender	Applicant	Underwriter	Interest Rate*	Amort. Years	Term Years	Annual Debt Service
Tax-Exempt Bonds	MDHFA	$18,578,000	$18,578,000	6.740%	35.00	35.00	$1,383,814
Bond Premium	Hough	$650,230	$650,230				$0
Housing Credit Equity	Apollo	$7,558,183	$7,810,083				$0
Operational Account Transfer	Owner	$487,318	$487,318				$0
Replacement Reserves Transfer	Owner	$0	$142,000				
Deferred Developer Fee	NHT	$2,679,175	$2,009,397				$0
Total		**$29,952,906**	**$29,677,028**				**$1,383,814**

Notes to the Permanent Period Sources of Funds:

1. MMRB financing will have Mortgage Insurance from the HUD Section 223 (f) Program of the National Housing Act. The MMRB Loan is anticipated to have a 35-year term and amortization period. Add-on fees include the following: HUD MIP fee of 0.50%, MDHFA Issuer fee of 0.35%, Bond Trustee Fee of 0.05%, MDHFA Compliance Fee of 0.04%, Bond Premium of 0.30%, GNMA Fee of 0.13% and Collateral Servicing fee of .12%.

2. The applicant will transfer approximately $487,318 from operational funds to provide additional equity for the rehabilitation of the properties. In addition, the applicant will also transfer the current Replacement Reserve account funds of $142,000 to cover the one year of replacement reserves ($134,090) required to be deposited at closing.

3. The structure of the bonds will also allow William R. Hough and Co. to offer the bond issue at a price of 103.50% rather than a price of 100%. This will allow the ability to raise additional proceeds (approximately $650,230) that may be used to rehab the property. The impact of the premium pricing on the bond issue is that the average interest rate on the bonds is estimated to be 5.55% rather than 5.25%. Therefore it has the effect to raising the interest rate by approximately .30% per annum.

4. Based upon a Commitment Letter dated March 25, 2003, Apollo Housing Capital, LLC or an affiliate, will replace Arnold Porath as the 99.99% Limited Partner, concurrent with or prior to the closing of the MMRB Loan. With $9410,680 of syndicated HC and a syndication rate of $0.83 per dollar of syndicated HC, the Limited Partnership anticipates a Net Equity Contribution of $7,810,083. Of this amount, $2,343,025 will be advanced upon admission to the Limited Partnership (MMRB Loan closing). One installment of $3,467,677 will be provided upon 50% completion of construction and $1,686,978 provided upon receipt of final certificates of occupancy on all units, receipt of final cost certification, and three consecutive months of a 1.15 DSC. The remaining payment will consist of $312,403 funded at the receipt of all IRD Form 8609's and receipt of Partnership Form K-1 for the first year of operation. AmeriNational's recommendations are contingent upon closing of the HC purchase consistent with the terms of this Credit Underwriting Report.

5. Deferred Developer Fees of $2,009,397 represent the amount that must be deferred after all available loan proceeds and housing credit equity has been received.

Uses of Funds

	Applicant Total Costs	Underwriter Total Costs	HC Ineligible Costs
Actual Construction Cost			
Construction Contract			
Exterior Rehab	$3,750,000	$3,750,000	
Interior Rehab	$3,750,000	$3,750,000	
General Contractor Fees (max 14%)	INCL	INCL	
Subtotal	$7,500,000	$7,500,000	
Other - Hard Cost Contingency (Included)	$0	$0	
Total Actual Construction Cost	**$7,500,000**	**$7,500,000**	

Notes to the Actual Rehabilitation Costs:

1. The applicant has not selected a General Contractor at this time.

2. As a condition of this report, a satisfactory executed not to exceed lump sum, contract at a maximum $7,500,000, will be required within two weeks of this report. The total G/C fee cannot exceed 14% and retainage cannot be less than 10% until 50% complete, and 0% thereafter. The contract shall also include a satisfactory hard cost contingency and shall be for a term not to exceed 18 months.

	Applicant Total Costs	Underwriter Total Costs	HC Ineligible Costs
General Development Costs			
Accounting Fees	$55,000	$55,000	
Appraisal	$19,500	$19,500	
Architect's Fee - Design	$0	$0	
Architect's Fee - Supervision	$0	$0	
Builder's Risk Insurance	$0	$0	
Building Permits	$0	$0	
Brokerage Fees	$0	$0	
Closing Costs - Construction	$0	$0	
Closing Costs - Permanent	$0	$0	
Engineering Fee	$0	$0	
Environmental Report	$13,500	$13,500	
HFAMD Issuer & Compliance Fee	$72,454	$72,454	
HFAMD Application & Credit Underwriting Fees	$59,640	$59,640	
FHFC HC Fees	$30,000	$175,285	
HFAMD Application & Credit Underwriting Fees	$0	$0	
Inspection Fees/Construction Admin. (HFA)	$0	$14,400	
Inspection Fees (Ongoing for HUD)	$15,180	$15,180	
Insurance	$0	$0	
Legal Fees (Borrower)	$80,000	$80,000	
Market Study	$0	$0	
Plan and Cost Review	$0	$4,500	
Physical Needs Assessment	$13,500	$13,500	
Property Taxes	$0	$0	
Soil Test	$0	$0	
Survey	$7,950	$7,950	
Title Fees	$75,786	$75,786	
Utility Connection Fees	$0	$0	
Other - Mortgage Tax & Recording	$228,835	$250	
Other -	$0	$0	
Other -	$0	$0	
Other - Consulting Fees/Financial Advisor	$0	$0	
Other -	$0	$0	
Miscellaneous Administrative	$30,000	$30,000	$0
Total General Development Costs	**$701,345**	**$636,945**	**$0**

Notes to the General Development Costs:

1. Applicant will apply to Florida Housing for Housing Credits. Florida Housing Administrative, Application, Compliance and Credit Underwriting fees are proposed costs.

2. The underwriter also added the Plan, Cost and Needs Analysis fee along with inspection fees.

3. Mortgage Tax was reduced. It is not charged on tax-exempt bond transactions.

4. The remaining General Development Costs, which represent the Applicant's estimates updated during underwriting, appear reasonable.

	Applicant Total Costs	Underwriter Total Costs	HC Ineligible Costs
Financial Costs			
Bond Loan Credit Enhancement Fees	$891,744	$891,744	$891,744
Bond Loan Issuance Costs	$437,748	$439,498	$439,498
Reserves Required by Lender	$0	$134,090	$134,090
Other - Operating Reserve	$0	$140,000	
Total Financial Costs	**$1,329,492**	**$1,605,332**	**$1,465,332**

Notes to the Financial Costs:

1. The Bond Loan Issuance Costs are the Applicant's revised estimates, which appear reasonable. ACS will confirm these costs with the Bond Underwriter prior to MMRB closing.

2. ACS included the one year of Replacement Reserves required by the lender and offset them with the current balance of that account in the Sources.

3. Apollo Capital, syndicator, requires an Operating Reserve to be established of $140,000.

	Applicant Total Costs	Underwriter Total Costs
Non-Land Acquisition Costs		
Building Acquisition Costs	$15,355,000	$15,355,000
Other	$0	$0
Total Non-Land Acquisition Costs	**$15,355,000**	**$15,355,000**

	Applicant Total Costs	Underwriter Total Costs	HC Ineligible Costs
Development Cost Before Land and Developer Fee	$24,885,837	$25,097,277	$1,465,332
Other Development Costs			
Developer Fee on Acquisition of Building	$1,715,551	$1,715,551	$0
Developer Fee	$614,200	$614,200	$0
Excess Land Cost	$0	$0	$0
Other - Consultant Fee/Fin'l Advisor/Excess Lega	$0	$0	
Total Other Development Costs	**$2,329,751**	**$2,329,751**	**$0**

	Applicant Total Costs	Underwriter Total Costs	HC Ineligible Costs
Development Cost Before Land	**$27,215,588**	**$27,427,028**	**$1,465,332**
Land Acquisition Costs			
Land	$2,250,000	$2,250,000	$2,250,000
Other - Land Purchase Interest Costs	$0	$0	$0
Total Acquisition Costs	**$2,250,000**	**$2,250,000**	**$2,250,000**

	Applicant Total Costs	Underwriter Total Costs	HC Ineligible Costs
Total Development Cost	**$29,465,588**	**$29,677,028**	**$3,715,332**

Combined Operating Proforma

DESCRIPTION	Annual	Per Unit
Income		
Gross Potential Rental Revenue	$4,123,104	$8,148
Other Income		
Laundry	$0	$0
Cable TV Income	$0	$0
Miscellaneous Income	$306,500	$606
Interest Income	$0	$0
Gross Potential Income	$4,429,604	$8,754
Less:		
Vacancy Loss @ 4%	$177,184	$350
Collection Loss @ 1%	$41,231	$81
Total Effective Gross Income (EGI)	$4,211,189	$8,323
Expenses		
Fixed:		
Real Estate Taxes	$261,600	$517
Insurance	$275,500	$544
Variable:	$0	
Management @ 4% (of EGI)	$168,325	$333
General and Administrative	$106,450	$210
Payroll Expenses	$443,000	$875
Utilities	$721,000	$1,425
Marketing and Advertising	$26,500	$52
Maintenance and Repairs	$273,200	$540
Grounds Maintenance and Landscaping (included)	$0	$0
Security	$60,000	$119
Reserve for Replacements	$134,050	$265
Employee Units	$0	$0
Other	$4,700	$9
Total Expenses	$2,474,325	$4,890
Net Operating Income	$1,736,864	$3,433
Debt Service Payments		
First Mortgage	$1,383,814	$2,735
Deferred Management Fee of 1%	$42,081	$83
Other - Net Interest Expense on DSR	$0	$0
Other Fees - Letter of Credit/Guarantee	$0	$0
Other Fees - Agency/Trustee/Servicer	$0	$0
Total Debt Service Payments	$1,425,895	$2,818

Operating Income After Debt Service - Before Tax Cash Flow	$310,969	$615

Debt Service Coverage (DSC) Ratios	
DSC - First Only	1.255
DSC - First and Management Fee	1.218
DSC - All Mortgages	1.218
DSC- All Mortgages and Fees	1.218

Financial Ratios	
Operating Expense Ratio	59%
Break-even Ratio	95%

Notes to the Operating Proforma and Ratios:

1. Based on operating data from the subjects' historical data and supported by a self-contained appraisal; ACS represents that, in our professional opinion, estimates for rental income, vacancy and loss allowances, other income, and operating expenses fall within a band of reasonableness.
2. The Rent Roll/GPI is based upon the current Section 8 Contract Rents for the properties. Year 2002 Maximum HC Rents published by MDHFA are less. However, the properties will continue to receive the Section 8 Rents. HUD underwrites their Mortgage Insurance utilizing the contract rents.
3. ACS has underwritten Vacancy Loss at 4% and Collection loss at 1%, which is in accordance with the Appraisal.
4. Other Income includes income generated from the property from laundry, vending machines and other miscellaneous sources, which is an estimate by the appraiser and supported by the developments' historic income.
5. The Underwriter estimates an insurance expense of $275,500, or $544 per unit per year.
6. ACS bases a management fee of 5% of Total Effective Gross Revenue based upon an updated agreement with Charter Realty Group with 1% deferred after debt service.
7. Replacement reserves of $265 per unit per year are required and will be increased 3% per year per Apollo's commitment.
8. The development's Net Operating Income ("NOI") of $1,736,864 , can support the adjusted total loan amount of $18,578,000 , at a 1.255 debt service coverage ratio, based on the current "all-in" interest rate of 6.740% on the tax-exempt bonds and a 35-year amortization period. This debt service coverage ratio of 1.255 is slightly higher than minimum required DSCR (1.11765).
9. The 15-year Income and Expense Projection that reflects increasing DSC is attached to this report as Exhibit 2.

Operating Proforma – 22nd Avenue Apartments

DESCRIPTION	Annual	Per Unit
Income		
Gross Potential Rental Revenue	$1,463,364	$8,362
Other Income		
Washer/Dryer Rentals	$0	$0
Cable TV Income	$0	$0
Miscellaneous Income	$105,500	$603
Interest Income	$0	$0
Gross Potential Income	$1,568,864	$8,965
Less:		
Vacancy Loss @ 4%	$62,755	$359
Collection Loss @ 1%	$15,689	$90
Total Effective Gross Income (EGI)	$1,490,421	$8,517
Expenses		
Fixed:		
Real Estate Taxes	$120,600	$689
Insurance	$86,000	$491
Variable:		
Management @ 4% (of EGI)	$59,617	$341
General and Administrative	$43,750	$250
Payroll Expenses	$168,000	$960
Utilities	$290,000	$1,657
Marketing and Advertising	$12,000	$69
Maintenance and Repairs	$80,100	$458
Grounds Maintenance and Landscaping (included)	$0	
Security	$20,000	$114
Reserve for Replacements	$46,300	$265
Employee Units	$0	$0
Other	$1,750	$10
Total Expenses	$928,117	$5,304
Net Operating Income	$562,304	$3,213
Debt Service Payments		
First Mortgage	$478,523	$2,734
Deferred Management Fee of 1%	$14,904	$85
Second Mortgage	$0	$0
Other Fees - Letter of Credit/Guarantee	$0	$0
Other Fees - Agency/Trustee/Servicer	$0	$0
Total Debt Service Payments	$493,427	$2,820

Operating Income After Debt Service - Before Tax Cash Flow	$68,877	$394

Debt Service Coverage (DSC) Ratios	
DSC - First Only	1.175
DSC - First and Management Fee	1.140
DSC - All Mortgages	1.140
DSC- All Mortgages and Fees	1.140

Financial Ratios	
Operating Expense Ratio	62%
Break-even Ratio	97%

Operating Proforma – 183rd Street Apartments

DESCRIPTION	Annual	Per Unit
Income		
Gross Potential Rental Revenue	$1,395,540	$7,975
Other Income		
Washer/Dryer Rentals	$0	$0
Cable TV Income	$0	$0
Miscellaneous Income	$105,000	$600
Interest Income	$0	$0
Gross Potential Income	$1,500,540	$8,575
Less:		
Vacancy Loss @ 4%	$60,022	$343
Collection Loss @ 1%	$15,005	$86
Total Effective Gross Income (EGI)	$1,425,513	$8,146
Expenses		
Fixed:		
Real Estate Taxes	$65,000	$371
Insurance	$100,000	$571
Variable:		
Management @ 4% (of EGI)	$57,021	$326
General and Administrative	$31,500	$180
Payroll Expenses	$140,000	$800
Utilities	$230,000	$1,314
Marketing and Advertising	$7,000	$40
Maintenance and Repairs	$97,500	$557
Grounds Maintenance and Landscaping (included)	$0	$0
Security	$20,000	$114
Reserve for Replacements	$46,400	$265
Employee Units	$0	$0
Other	$1,700	$10
Total Expenses	$796,121	$4,549
Net Operating Income	$629,392	$3,597
Debt Service Payments		
First Mortgage	$478,661	$2,735
Deferred Management fee of 1%	$14,255	$81
Other - Net Interest Expense on DSR	$0	$0
Other Fees - Letter of Credit/Guarantee	$0	$0
Other Fees - Agency/Trustee/Servicer	$0	$0
Total Debt Service Payments	$492,916	$2,817

Operating Income After Debt Service - Before Tax Cash Flow	$136,476	$780

Debt Service Coverage (DSC) Ratios	
DSC - First Only	1.315
DSC - First and Management Fee of 1%	1.277
DSC - All Mortgages	1.277
DSC- All Mortgages and Fees	1.277

Financial Ratios	
Operating Expense Ratio	56%
Break-even Ratio	92%

Operating Proforma – 187th Street Apartments

DESCRIPTION	Annual	Per Unit
Income		
Gross Potential Rental Revenue	$1,264,200	$8,104
Other Income		
Washer/Dryer Rentals	$0	$0
Cable TV Income	$0	$0
Miscellaneous Income	$96,000	$615
Interest Income	$0	$0
Gross Potential Income	$1,360,200	$8,719
Less:		
Vacancy Loss @ 4%	$54,408	$349
Collection Loss @ 1%	$13,602	$87
Total Effective Gross Income (EGI)	$1,292,190	$8,283
Expenses		
Fixed:		
Real Estate Taxes	$76,000	$487
Insurance	$89,500	$574
Variable:		
Management @ 4% (of EGI)	$51,688	$331
General and Administrative	$31,200	$200
Payroll Expenses	$135,000	$865
Utilities	$201,000	$1,288
Marketing and Advertising	$7,500	$48
Maintenance and Repairs	$95,600	$613
Grounds Maintenance and Landscaping (included)	$0	$0
Security	$20,000	$128
Reserve for Replacements	$41,350	$265
Employee Units	$0	$0
Other	$1,250	$8
Total Expenses	$750,088	$4,808
Net Operating Income	$542,102	$3,475
Debt Service Payments		
First Mortgage	$426,630	$2,735
Deferred Management Fee of 1%	$12,922	$74
Other - Net Interest Expense on DSR	$0	$0
Other Fees - Letter of Credit/Guarantee	$0	$0
Other Fees - Agency/Trustee/Servicer	$0	$0
Total Debt Service Payments	$439,552	$2,818

Operating Income After Debt Service - Before Tax Cash Flow	$102,551	$657

Debt Service Coverage (DSC) Ratios	
DSC - First Only	1.271
DSC - First and Management Fee	1.233
DSC - All Mortgages	1.233
DSC- All Mortgages and Fees	1.233

Financial Ratios	
Operating Expense Ratio	58%
Break-even Ratio	94%

LAW OFFICES
STEARNS WEAVER MILLER WEISSLER ALHADEFF & SITTERSON, P.A.
MUSEUM TOWER
150 WEST FLAGLER STREET
MIAMI, FLORIDA 33130

MIAMI (305) 789-3200 • BROWARD (954) 463-5440
FAX (305) 789-3395

WWW.STEARNSWEAVER.COM

TAMPA OFFICE
SUITE 2200
SUNTRUST FINANCIAL CENTRE
401 EAST JACKSON STREET
TAMPA, FLORIDA 33602
(813) 223-4800

FT. LAUDERDALE OFFICE
SUITE 1900
200 EAST BROWARD BOULEVARD
FORT LAUDERDALE, FLORIDA 33301
(954) 462-9500

RICHARD I. BLINDERMAN
DIRECT LINE (305) 789-3303
email:rblinderman@swmwas.com

April 7, 2003

VIA FAX AND REGULAR MAIL
Patricia Braynon, Executive Director
Housing Finance Authority of
Miami-Dade County, Florida
25 West Flagler Street, Suite 950
Miami, Florida 33130

Re: Housing Finance Authority of Dade County (Florida) Multifamily Housing Revenue Bonds, 1987 Series 2 (Silver Blue Lake Apartments Project) (the "Bonds")

Dear Pat:

In February, 1987, the Housing Finance Authority of Miami-Dade County, Florida (the "Authority") issued the referenced Bonds, the proceeds of which were utilized to finance the acquisition and construction of Silver Blue Lake Apartments (the "Project"). The Bonds have been fully paid and retired.

In connection with the Bonds, the Regulatory Agreement as to Tax-exemption (the "Regulatory Agreement") dated as of February1, 1987 among the Authority, the Owner and Florida National Bank (the "Bond Trustee") was recorded in Official Record Book 13178 at Page 112 of the Public Records of Miami-Dade County, Florida. Notwithstanding the retirement of the Bonds, the Regulatory Agreement remains outstanding, as the Qualified Project Period for the Bonds has not yet terminated.

The owner, Silver Blue Lake Apts., Ltd. ("Owner"), has entered into a contract to sell the Project to an unrelated third party ("New Owner") with the closing scheduled for May 19, 2003 (the "Closing Date").

This is to advise you that the New Owner will execute an Assumption Agreement in substantially the form attached hereto which the Owner will have recorded in connection with the Closing. The original recorded Assumption Agreement will be sent to you after it is returned from recording.

Sincerely,

Richard I. Blinderman

RIB/mr

cc: Mary Aguiar via fax
Jeff Feinberg, Esq. via fax and regular mail
Gerald Heffernan, Esq. via fax and regular mail
Michelle Mann, Esq. via fax

This Instrument Was Prepared By
Record and Return To:

Richard I. Blinderman, Esq.
Stearns Weaver Miller Weissler
Alhadeff & Sitterson, P.A.
150 West Flagler St., Suite 2200
Miami, Florida 33130

RECEIVED
APR 9 2003
HOUSING FINANCE
AUTHORITY OF DADE COUNTY

ASSUMPTION AGREEMENT

THIS ASSUMPTION AGREEMENT (the "Agreement") is made this ___ day of May, by Frank Rosen, an individual ("Subsequent Owner").

BACKGROUND

1. Silver Blue Lake Apts., Ltd., a Florida limited partnership ("Original Owner") financed the acquisition and construction of Silver Blue Lake Apartments, a multifamily apartment project on the real property legally described on Exhibit "A" hereto (the "Project") with the proceeds of the Housing Finance Authority of Dade County (Florida) Multifamily Mortgage Revenue Bonds 1987 Series 2 (Silver Blue Lake Apartment Project) (the "Bonds").

2. In connection with the issuance of the Bonds, the Original Owner executed a Regulatory Agreement as to Tax-exemption dated as of February 1, 1987 among the Authority, the Owner and Florida National Bank (the "Bond Trustee") recorded in Official Record Book 13178 at Page 112 of the Public Records of Miami-Dade County, Florida (the "Regulatory Agreement").

3. Original Owner desires to sell the Project to Subsequent Owner and Subsequent Owner desires to purchase the Project.

4. As a condition precedent to any sale, transfer or assignment of the Project prior to the termination of any rental and occupancy restrictions set forth in the Regulatory Agreement, the Regulatory Agreement requires Subsequent to Owner assume all duties and obligations of the Original Owner under the Regulatory Agreement.

5. The Authority desires to assure that the Project will continue to comply with the rental and occupancy restrictions set forth in the Regulatory Agreement.

6. Subsequent Owner desires to comply the conditions precedent set forth in the Regulatory Agreement and to give the Authority assurance that the rental and occupancy restrictions

set forth in the Regulatory Agreement will be complied with so that the sale of the Project may occur.

NOW, THEREFORE, in consideration of ten dollars and other good and valuable consideration, the sufficiency of which to acknowledged, Subsequent Owner agrees as follows:

1. The above Background is true and correct and incorporated in this Agreement.

2. Subsequent Owner hereby assumes all duties and obligations of Original Owner under the Regulatory Agreement in accordance with Section 5 of the Regulatory Agreement. The Subsequent Owner confirms the Authority's right to audit compliance of the Project with the requirements of the Regulatory Agreement, as set forth therein.

3. In the event Subsequent Owner fails to comply with the rental and occupancy restrictions set forth in the Regulatory Agreement, the Authority shall have the right to seek injunctive relief to enforce such rental and occupancy restrictions, it being acknowledged by the parties hereto that relief at law will be inadequate to remedy such failure to comply with such rental and occupancy restrictions.

4. This Agreement shall terminate on the date of termination of the Regulatory Agreement.

Dated as of the date first above written.

____
Print Name:____________________

____
Frank Rosen

____
Print Name:____________________

STATE OF ________)
)ss:
COUNTY OF __________)

The foregoing instrument was acknowledged before me this _____ day of May, 2003 by Frank Rosen.

Personally Known _________ OR Produced Identification ____________

Type of Identification Produced ____

____

Print or Stamp Name: ______________________
Notary Public, State of _________ at Large
Commission No.:
My Commission Expires:

G:\W-RJB\35731\007\assumpagtv1.wpd

EXHIBIT A

LEGAL DESCRIPTION

Rebuilding Together with Christmas in April

P. O. Box 33-0304
Miami, FL 33233-0304
(305) 490-2279
Fax (305) 279-9033
www.rebuildingtogether.org

April 21, 2003

Housing Finance Authority of Miami Dade County
Attn: Patricia Braynon
North Miami, Florida

Dear Friends of Rebuilding Together with Christmas in April:

As we prepare for our 2003 Work Day on April 26th, we would like to take this opportunity to thank you for your previous commitment to Rebuilding Together of Greater Miami and hope that we can once again, count on your continued financial and volunteer sponsorship. In prior years, Housing Finance Authority of Miami Dade County has generously contributed the sum of $25,000.00

Rebuilding Together with Christmas in April is America's largest volunteer organization dedicated to renovating homes for low income families, the elderly and disabled. As always the Miami Dade Community Action Agency has been a major supporter with the family selection as they are aware of the families they fit our requirement. With your continued support, the Greater Miami affiliate will renovate approximately eight homes in the area of South Miami, Florida.

Please take a moment to peruse this link for our national organization, www.rebuildingtogether.org to see how your generous sponsorship and volunteer crew have made a difference in the lives of those whose homes we rebuild.

Thank you once again for partnering with us to Rebuild Together!

Sincerely,

Todd L Browning
Treasurer
Rebuilding Together of Greater Miami, Inc.

FannieMae

American Dream Commitment

Lease/Purchase Mortgage Loans

Solutions to Serve Families on the Path to Homeownership

Housing & Community Development

Presented by Daniel Thompson
April 16, 2003 – Miami, FL

What is Lease/Purchase?

- Community development tool for public entities *-- such as municipalities, public housing authorities, housing finance agencies, etc.*
- Allows for entity borrowers to acquire and finance one-family properties under owner-occupied terms and lease the units to low- and moderate-income families on the path to homeownership
- Provides for a one-time assumption by the tenant within five years of the date of the mortgage to the entity borrower
- A tool to address one of the most challenging housing barriers: *impaired credit*
- Provides future homeowners with opportunity to access and lock in today's historically low rates while resolving credit issues

Who Benefits from Lease/Purchase ?

- Lease/Purchase helps put families on the path to homeownership:
  - ✓ Low- to moderate-income families that need time to resolve/repair credit challenges
  - ✓ Families focused on a "YES" that are at risk of predatory lenders
  - ✓ Families who would not qualify for a mortgage at interest rates above current market
  - ✓ Minority families and immigrant families
- Public entities benefit by divesting existing real estate holdings and moving families from FSS
- Communities benefit from new homeowners, expanded tax bases, and revitalization

Lease/Purchase Addresses Affordability

- Ensures that rate-sensitive underserved families will have access to homeownership at current market rates
- Public entities can set prices on real estate owned
- Tax abatements during lease period permit the future property tax portion of the tenant’s monthly payment to fund a savings escrow account, which could be matched by IDA or IDEA
- Cheaper financing option that prevents predatory lending while getting to a “YES” now

Fannie Mae's Lease/Purchase Option

- Eligible overlay for any of Fannie Mae's Community Lending product
- Uses most aggressive underwriting flexibilities
- One-time assumption by tenant
- Requires on-going credit and financial literacy counseling and home buyer education

Eligible Borrowers

- Focus on public entities as eligible borrowers
  - ✓ Stronger counter-parties than nonprofits
  - ✓ Ability to control home prices based on income targets
  - ✓ Tax abatements provide additional affordability
  - ✓ Direct access to subsidy funding

Eligible Loan Terms

- **Eligible tenant/borrowers:** families earning less than/equal to *100 percent of AMI* ***or*** *public entity income restrictions* (no income limits FannieNeighbors-eligible areas)
- **Maximum LTV/CLTV:** 100/105 percent
- **Minimum down payment:** three percent
- **Minimum borrower contribution:** lesser of *$500 or one percent of the sales price* (due from entity borrower at time of loan origination; tenant to make same minimum contribution, payable to entity borrower, at time of assumption)
- **Ratios:** up to *41 percent total debt*, per base Community Lending product

Eligible Loan Terms

- **Cash reserves:** *zero to two months'* mortgage payments, per base Community Lending product
- **Mortgage Insurance:** *35 percent* for LTV ratios greater than 90 percent
- **Eligible properties:** one-family owner-occupied principal residences, including units in condominiums projects or PUDs.
- **Required collateral:** Entity borrowers may be required to post some level of collateral, depending upon financial capacity and anticipated volume of lease/purchase loans

Credit History Requirements

- At time of origination of mortgage to entity borrower: No stated minimum credit parameters for the tenant/borrower
- At time of assumption: Tenant/borrower ***<u>MUST</u>*** meet minimum credit standards per *MyCommunityMortgage™* or other eligible Community Lending product
  - ✓ *FICO credit scores as low as 600*
  - ✓ *Acceptance of nontraditional credit histories*
  - ✓ *Enhanced Credit Evaluation for traditional and nontraditional credit*
  - ✓ *Consideration given to extenuating circumstances*

Lease/Purchase: Advantages

- Options to help you reach deeper down the income and credit curve
- Opportunities to partner with Fannie Mae in empowering families on the path homeownership
- Tools to combat predatory lending while still giving a "YES" to credit impaired consumers that need access to current market rates to achieve homeownership
- Opportunities to build public/private partnerships

THE LEADER MORTGAGE COMPANY

2002 SF MRB Program - HFA of Miami-Dade County

Loan Information Report 4/21/2003

Program End Date
12/1/2003

ORIGINATOR SUMMARY

	Loans	Total Originated Amount
Bank Atlantic FSB	7	496,215
Banking Mortgage Corporation	25	1,451,514
Chase Manhattan Mortgage	53	5,551,347
CitiMortgage, Miami	12	711,597
Countrywide Home Loans	5	342,165
UAMC	4	397,270
Total	**106**	**$8,950,108**

LOAN TYPE TOTALS

	Loans	Total Originated Amount	% of Total
FHA	47	5,019,015	56.08
FNMA 97%	19	1,187,416	13.27
FNMA CHBP	4	312,635	3.49
FNMA CHBP 3/2	1	87,600	.98
FNMA Conv.	30	2,003,132	22.38
FNMA HFA Home	4	194,310	2.17
VA	1	146,000	1.63
Total	**106**	**$8.950.108**	**100.00**

NEW/EXISTING TOTALS

	Loans	Total Originated Amount	% of Total
Existing	100	8,292,194	92.65
New	6	657,914	7.35
Total	**106**	**$8,950,108**	**100.00**

TARGET/NON-TARGET TOTALS

	Loans	Total Originated Amount	% of Total
Non-Target	80	7,424,521	82.95
Target	26	1,525,587	17.05
Total	**106**	**$8,950,108**	**100.00**

HOUSING TYPE TOTALS

	Loans	Total Originated Amount	% of Total
1 Unit Detached	35	3,519,270	39.32
Condo	63	4,576,917	51.14
Duplex	1	77,686	0.87
Quad	1	178,281	1.99
Townhouse	6	597,954	6.68
Total	**106**	**$8,950,108**	**100.00**

THE LEADER MORTGAGE COMPANY

2002 SF MRB Program - HFA of Miami-Dade County

Loan Information Report 4/21/2003

Program End Date
12/1/2003

TYPE OF FUNDS - TOTALS

	Loans	Total Originated Amount	% of Total
*Spot-General	106	8,950,108	100.00
Total	**106**	**$8,950,108**	**100.00**

INTEREST RATE BREAKDOWN

	Interest Rate Limit	Loans	Total Originated Amount	% of Total
3.75000%	$4,000,000	38	3,464,085	38.70
5.50000%	$2,160,000	37	1,987,531	22.21
5.99000%	$17,500,000	31	3,498,492	39.09
Total		**106**	**$8,950,108**	**100.00**

PROGRAM PIPELINE

	Loans	Total Originated Amount	% of Total	Pool / Trustee Amount
Reservation	20	1,790,786	20.01	
UW Certification	21	1,725,349	19.28	
Compliance Purchase Approved	7	563,742	6.30	
Purchased	13	992,302	11.09	
Sold to Trustee	45	3,877,929	43.33	3,871,850.48
Total	**106**	**$8,950,108**	**100.00**	

RACE & ETHNICITY

	Loans	Total Originated Amount	% of Total
Asian	1	118,247	1.32
Black & Hispanic	4	368,375	4.12
Black & White	1	54,570	0.61
Black/African American	23	2,176,550	24.32
Other Multi-racial	5	291,001	3.25
White	7	532,972	5.95
White & Hispanic	65	5,408,393	60.43
Total	**106**	**$8,950,108**	**100.00**

SUMMARY

		Averages:	
Original Allocation	$21,660,000.00	Loan Amount	$84,435
Available Allocation	**$12,709,892**	Purchase Price	$105,723
Total Originated Amount	$8,950,108	Compliance Income	$28,328
Total Originated Loans	106		
Percentage Originated	**41.32%**	Borrower Age	37.2
		Household Size	2.7
First Time Home Owner	100 %	Employed in Household	1.2

THE LEADER MORTGAGE COMPANY

2002 SF MRB Program - HFA of Miami-Dade County

Loan Information Report 4/21/2003

Program End Date
12/1/2003

COUNTY TOTALS	Loans	Total Originated Amount	% of Total
MIAMI-DADE	106	8,950,108	100.00
Total	**106**	**$8,950,108**	**100.00**

BREAKDOWN BY CITY	Loans	Total Originated Amount	% of Total
HIALEAH	12	1,120,981	12.52
HOMESTEAD	4	366,544	4.10
UNINCORPORATED MIAMI-DADE	85	6,988,505	78.08
MIAMI BEACH	2	208,550	2.33
OPA LOCKA	3	265,528	2.97
Total	**106**	**$8,950,108**	**100.00**

FOUNDATION GRANT APPLICATIONS AND THEIR DEADLINES

FOUNDATION	GRANT TYPE	DEADLINE	AMOUNT	DECISION DATE
Fannie Mae Foundation	Targeting Hispanic community increasing home ownership	February 13, 2003 applied on 2/11/03	*$40,000	8/29/03
Contact: *Ms. Cecelia la Villa-Travieso 305-603-2303*				
Fannie Mae Foundation	Miami-Dade Housing Alliance quarterly housing fairs	February 13, 2003	*$10,000	15 days from 2/13/03 * will know by 3/7
Contact: *Ms. Dawn Butler 404-398-6238/FAX # 404-949-2304*				
Washington Mutual	Operating support and corporate sponsorship of cable access program	No Deadline	$40,000	Will find out.
Contact: *Ms. Catherine Brozowski, Corporate Giving Fund Manager 954-370-0511*				
Norman Foundation, Inc.	IDA matches	March 3, 2003	*$25,000	April 3, 2003
Contact: *June Makela, Program Director 212-230-9830*				
National Community Capital Association (NCCA)		April 14, 2003	$50,000	Will find out.
Contact: *Adina Abramowitz, Chief Operating Officer 215-923-4754*				
The Knight Foundation	Gap Mortgage Financing	April 4, 2003	$400,000	After April 9 when board meets.
Contact: *Ms. Suzette Prude, Community Liaison Program Officer 305-908-2635*				
3.28.03				***APPLIED FOR – WAITING FOR RESPONSE.**

MIAMI-DADE AFFORDABLE HOUSING FOUNDATION, INC.

Home Buyer Club Statistical Report

Report ending: 4/9/03

PROGRAM PIPELINE		
	ALL	ACTIVE
All Members	2,362	
Active Members	1,144	1,144
Graduates	309	264
Ready to Buy	163	123
Looking for a Home	41	39
Purchased	41	

SEX (*active members only*)		
SEX	#	%
Female	664	74.9%
Male	216	24.4%
Couples	6	0.7%
Unknown	0	0.0%
Number of children served: 645		

MEMBERSHIP BY CLUB		
CLUB	#	%
ACCION	86	3.6%
CAA/Liberty City	382	16.2%
Central	214	9.1%
County*	862	36.5%
Edison Courts*	17	0.7%
Gwen Cherry*	42	1.8%
Liberty Square*	87	3.7%
Omega	256	10.8%
Opa-Locka	78	3.3%
Scott Homes*	103	4.4%
St. Agnes*	235	9.9%
TOTAL	**2,362**	**100.0%**

* *The Foundation received compensation for working with these clubs.*

LOAN ORIGINATOR SUMMARY		
BANK	#	AMOUNT
Bank Atlantic	47	
Bank of America	1	
Bank United	3	
Chase Manhattan	2	
Citibank	24	
Countrywide	1	
HFA	6	
Home Banc	1	
MDAHFI	52	
Northern Trust	0	
Washington Mutual	9	
Other/Unknown	0	
TOTAL	**146**	**$0.00**

This data is extremely preliminary. *Most buyers secure multiple loans/grants for the purchase of their home. Thus, some buyers are counted more than once under the number of loans originated.*

RACE OF MEMBERS (*active members only*)		
RACE	#	%
African American	614	69.3%
Hispanic	213	24.0%
White (*non Hispanic*)	14	1.6%
Other/Unknown	45	5.1%
TOTAL	**886**	**100.0%**

NOU

envite ou nan yon atelye travay
kouman pou nou vin Pwopriyetè
Kay nan kominote an

Aprann Jwenn Pwogram Espesyal yo Pou Èd Nan Mete Premye Peman

Vil Nò Miami Beach
McDonald Center
17051 N.E. 19 Avni
Miami, FL 33162
Samdi, 26 Avril, 2003
De 9:30 a.m. jiska 1:00 p.m.

Kiyès kap la?
Konseye pou Kredi, Bank yo Koutye Kay yo, Devlopè yo

Jwenn repons a tout kesyon nou yo, pa gen fòse fè anyen, pa gen oblije nan anyen.

Mande pou Cynthia pou mete non nou sou lis la anvan Jedi, 24 Avril. Merci. 305-372-7990

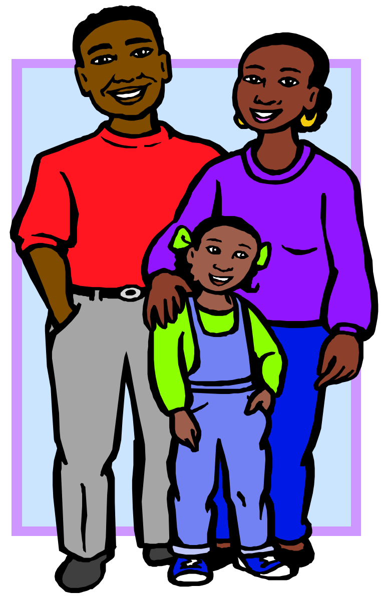
Patisipan yo enkli:

HFA

FannieMae FOUNDATION

YOU

Are invited to Join The Free Edison Courts Homebuyers Club



Learn the Steps you need To take to buy your first Home and Keep it.

Club meetings will be held from 5:30 pm to 7:30 p.m. at the

COMMUNITY CENTER OF EDISON COURTS.

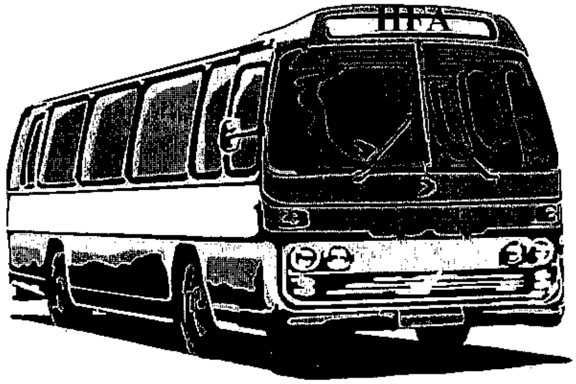
Tuesday, May 6th	Renting verses Owning
Tuesday, May 13th	Credit and Budgeting
Tuesday, June 3rd	Realtor Services and the Mortgage Application Process
Tuesday, June 10th	The Closing Process, Home Inspection, Predatory Lending and Earned Income Tax Credit

Call 305-373-9750 for more details.

The Homebuyer Club is co-sponsored by the Edison Courts Resident Association

HOUSING FINANCE HFA of Miami-Dade County AUTHORITY

"Building our community one home owner at a time" MDAHFI MIAMI-DADE AFFORDABLE HOUSING FOUNDATION, INC.



NOTICE

TO ALL HOUSING FINANCE AUTHORITY BOARD MEMBERS:

On Monday, May 12, 2003, the HFA Board will tour several HFA's multi-family developments in Miami-Dade County.

The tour bus will depart from 25 West Flagler Street, at 9:30 a.m. and will end at approximately 3:00 p.m.

The tour will encompass the following six multi-family developments from the Miami-Dade County line road in the north end of Dade County, down to Florida City in South Miami Dade:

Development:	Address:
Miami Stadium	2625 NW 10 Avenue
Cedar Grove	20601 NW 17 Avenue
Baywinds	11900 NE 16 Avenue
Running Brook	20505 SW 122 Avenue
Hidden Grove	13815 SW 271 Terrace
Monterey Point	1400 East Mowry Drive

Please RSVP to Ms. Mary Aguiar at 305-372-7990 by Monday, May 5, 2003.

We look forward to seeing you on that day.